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# Foreign Commerce WEEKLY

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*September* 11, 1943

# Foreign Commerce Weekly

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Issued by the UNITED STATES DEPARTMENT OF COMMERCE, JESSE H. JONES, *Secretary*


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PUBLISHED WITH THE APPROVAL OF THE DIRECTOR OF THE BUDGET (42 J. C. P.)

# Brazil's Industry—

## *War's Emergencies Spur Unprecedented Activity*

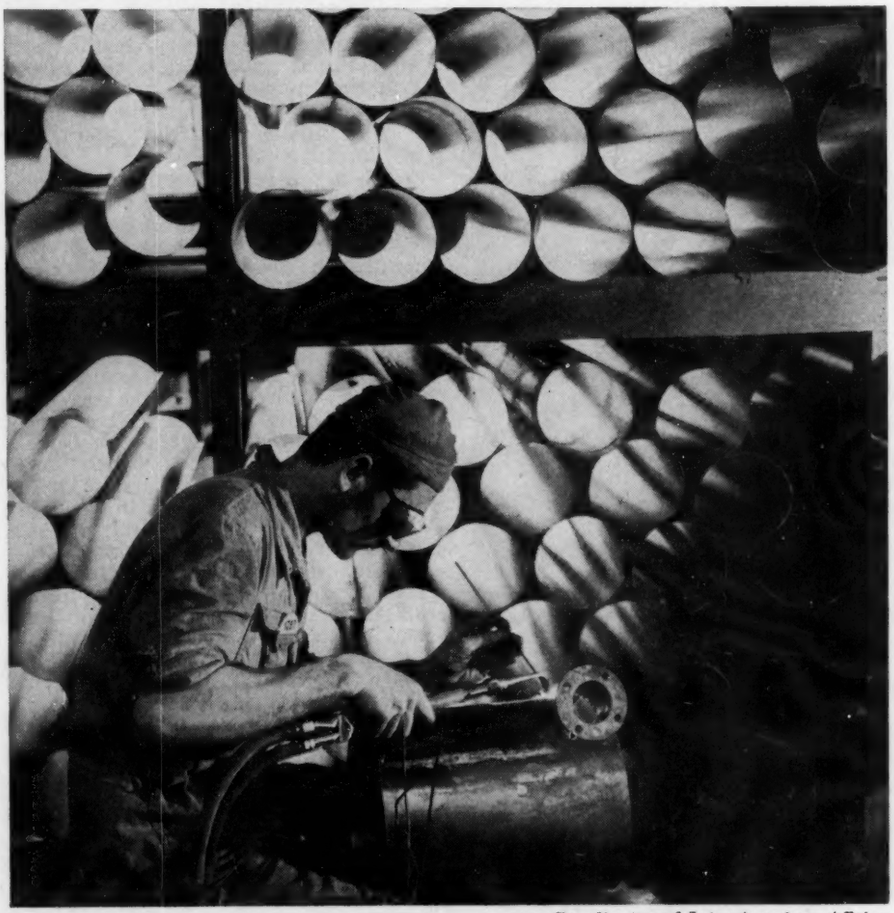
*By* SIDNEY ZINK, *American Republics Unit, Bureau of Foreign and Domestic Commerce*

THERE IS A GENERAL PATTERN of economic development which war conditions have established for all the Latin American countries. The economic uniformity of Latin America as a whole, with an economy based upon the exchange of raw-materials exports for manufactured-goods imports, determines that the pressure upon these countries of identical conditions will have a result much alike in them all.

The diversion to war uses of the natural, manufacturing, and shipping capacities of the countries normally supplying Latin America has forced the Latin American nations further to develop their own natural and industrial resources. The alternative to expansion is to get along somehow without the commodities customarily imported, and these are frequently of such basic necessity that their lack has caused severe ruptures in national economies.

Although the difficulty of importing the machinery, fuels, and raw materials with which to build new industries has constituted an important handicap to development, this has not been sufficiently severe to wholly halt the stimulus of new demands and high prices. Further, the United States has found that a saving of its own materials, shipping space, and labor was to be achieved in the emergency by shipping to Latin America the tools with which to produce, locally, finished goods for direct consumption. The result has been that our Good Neighbors have been learning how to get along better by themselves without being less neighborly with us.

Brazil serves at once as an outstanding illustration of industrial and mineral expansion and ever-closer economic partnership with the United States.



Coordinator of Inter-American Affairs.

Making cooler tubes for "gasogenios," Sao Paulo, Brazil.

### *Development of Industry*

Brazil's industrial expansion—the most significant single feature of its economy during 1942 and indeed during the last decade—takes its place as in part a duplication of, and partly a further step in, the industrial development stimulated by the First World War. Although the First World War did not in any sense originate Brazilian industry or constitute its first important impulse, it is the significant event in Brazil's industrial career. Industrial production rose from an index base of 100 in 1911 to 108 in 1912, 180 in 1916, and 316 in 1919.[1]

The extent of Brazil's imports prior to 1913 indicates the economic dislocations that were provoked by World War I. In 1913 Brazil depended upon foreign sources for the greater part of manufactured products—purchasing abroad, on an average, about 30 percent of its annual consumption of cotton textiles, 60 percent of woolen textiles, 85 percent of silk textiles, 35 percent of ceramics, glassware, and chinaware, 30 percent of jerked beef, and 65 percent of perfume. The imports of iron and steel, coal, and cement were equivalent to almost the entire Brazilian consumption.

Deprived of the normal sources of these products, new substitutes had to be devised and new industries developed. Brazil's adaptation was remarkable. Scrap metal, which was exported to the amount of 14,000 metric tons in 1914, was later so converted to domestic use that

[1] Except for the years 1907, 1920, and 1938, figures on industrial production are available only for those products subject to the consumption tax, which amounted to only about 40 percent of total production. Hence the index is based upon the figures available for this portion of the total.

exports practically ceased and were later prohibited. A dye industry was developed. Manufactures even came to be exported. In 1913 processed or manufactured products contributed less than 1 percent of total exports, jumping to 3 percent in 1915, to 6 percent in 1916, to 16 percent in 1917, and to 29 percent in 1918. This percentage fell to 12 the following year, but manufactures had definitely won a place in Brazil's exports.

Corresponding to the increase in manufactures was a progressive decrease in relative export participation by the seven traditionally leading products in Brazil's exports—coffee, cotton, rubber, cocoa, hides and skins, tobacco, and yerba mate. Of total exports these represented 85 percent in 1916, 67 percent in 1917, and 57 percent in 1918.

## *Enter Diversification*

The principal result to industry of the First World War was the diversification of manufactured products. Between 1914 and 1919 industrial enterprises had grown 46.5 percent in number, but in capital the increase was only 24 percent. Of a total of 13,336 industrial establishments in Brazil in 1920, 5,936 had come into existence during the war. The same trend is shown in the increase in number of manufactured articles exported—from 37 in 1913 to 63 in 1919. The advancement of industry, however, was not primarily for export, but to satisfy the domestic demands which could no longer look to imported products. Of 27 products that have been exported from the industrial State of Sao Paulo during the present war, only cotton textiles were exported in the First World War—and then only to about 0.5 of their present volume.

It was during the First World War and subsequent years that the outstanding industries of the country were developed: frozen and preserved meats, jerked beef, vegetable oils, ceramics, wool, flour, sugar, lard, beverages, cotton, woolen and other textile manufactures—the articles that Brazil found itself unable to obtain abroad during the war.

## *After World War I*

While the cessation of hostilities in 1918 caused a decrease in Brazilian exports and an increase in the imports of manufactured products, immediately after the war only 21 percent of the national consumption of manufactured articles came from abroad, as compared with 52 percent in 1906. Industry continued to advance steadily, attaining a production-value index of 861 in 1925 and 1,002 in 1929, compared with 316 in 1919.

This trend was greatly aided by the uninterrupted depreciation of the exchange value of Brazilian currency, raising the prices of imported goods to Brazilian consumers and thereby giving the local manufacturers an artificial competitive advantage. Thus the great increase in the index of manufacturing represents a depreciation in the value of the milreis as well as an increase in the total value and volume of industrial production.

## *Effect of 1929 Crisis*

With the reorganization of the European countries after the war and the appearance of Japan as a producer of cheap manufactured articles, Brazil again turned its attention primarily to the exploitation of agriculture and grazing, and the marked achievements in production during the post-war years were in raw materials rather than manufactures. This trend continued until the economic crisis of 1929, when the price of all agricultural products dropped disastrously.

Discouraging agricultural conditions operated once more to stimulate manufacturing, causing large companies to transfer their capital to industry. In the north and northeast new products appeared, such as caroa fiber, oiticica and uricuri oils, and timbo root for insecticides. Carnauba wax was produced at an accelerated rate. Shelled Brazil nuts began to occupy a larger percentage of total exports. Minerals, abandoned since the end of World War I, began a new surge that included even gold.

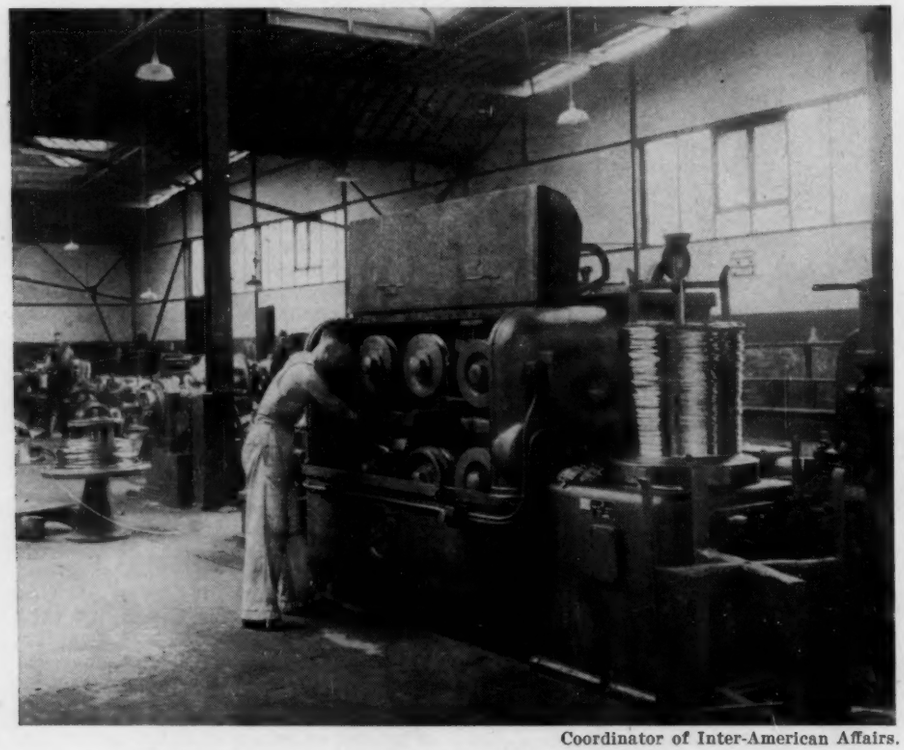
## *Varied Stimuli*

Under the stimulus of a Federal decree ordering the mixture of national with imported coal, the coal-mining industry revived in Rio Grande do Sul. The establishment of the Institute of Sugar and Alcohol resolved at one stroke the problem of sugar prices and a sufficient supply of anhydrous alcohol. The vast cotton plantations of Sao Paulo furnished large stocks of linters, and the Government exempted from import duties equipment for factories to produce rayon by the nitrocellulose process, thereby freeing the textile and explosive industries from their dependence on foreign supplies. The siderurgical industry increased at an impressive rate despite its dependence upon charcoal.

## *Significant Increases*

The direction of Brazilian industrial development is shown in at least three significant increases during recent years. First, the value increase of industrial production—from 6,434,000,000 cruzeiros[2] in 1934 (the highest figure up to that time, and the year when Brazil began to emerge from the depression) to 20,013,425,000 cruzeiros in 1938. (This phenomenal increase was again partly due to the depreciation of the currency.) Second, the increase in the variety of manufactured articles: the number exported increased from 37 in 1913 to 63 in 1919, to 201 in 1938, and to 322 in 1940. Third, the increase in the share of manufactures in exports: in 1938 Brazil's seven traditional export staples—coffee, cotton, rubber, cocoa, hides and skins, tobacco, and yerba mate—formed 75 percent, and manufactured products 6.37 percent, of the value of total exports, whereas in 1940 the seven staples represented only 61 percent and manufactured goods 18.16 percent. In 1942 the seven staples amounted to only 33 percent of the total exports, whereas manufactures accounted for 14.9 percent of the total.

The following table indicates how manufactured goods increased their contribution to the value of Brazil's exports between 1940 and 1942:



Coordinator of Inter-American Affairs.

Wire-drawing shop in the largest Brazilian automobile tire factory.

[2] The cruzeiro now has an exchange value of approximately 5 cents in U. S. currency.

*Percentage of Total Export Values Represented by Exports of Various Groups of Products*

| Group | 1940 | 1941 | 1942 |
|---|---|---|---|
| | *Percent* | *Percent* | *Percent* |
| Raw materials | 43.2 | 48.3 | 40.6 |
| Foodstuffs | 54.2 | 46.3 | 44.2 |
| Manufactures | 2.6 | 5.5 | 14.9 |

## *Economic Conditions*

While this increase was due partly to the decreased exports of raw materials to European markets, it also indicates greater exports of manufactures to other Latin American countries, supplanting those previously supplied by Europe. This rising importance of manufactured products in Brazil's export trade is shown in that between 1938 and 1940 their value increased 178 percent, whereas the increase in the value of industrial production during these years was only 26 percent.

## *Number of Factories Mounts*

Since 1940 the number of factories in Brazil has increased from 64,108 to 78,012, and the number of industrial employees from 825,314 to over 900,000. During the same period the value of production of commodities subject to consumption tax has increased from 12,500,000,000 cruzeiros to 15,000,000,000 cruzeiros. This recent increase, while only a further step in the industrial progress begun with the last war, is also to a large extent the result of an incentive identical with that which gave Brazilian industry its impetus in 1914–18.

This has been the most significant of three outstanding economic changes that Brazil has experienced from the present war: (*a*) increased exports of, and higher prices for, strategic materials; (*b*) decreased imports of all commodities; (*c*) increased industrial production resulting from new foreign and domestic demands for Brazilian manufactures.

## *Foreign-Trade Trends*

Although the modification of foreign trade was the most obvious effect of the war upon Brazilian economy, the general result in 1942 was not so unfavorable as might have been expected. The volume of imports (3,003,000 metric tons)[3] was lower than any during the last 20 years, but the hardship of being deprived of customarily imported items was largely compensated by the stimulation thus given to industry, and the value of imported goods (4,644,000,000 cruzeiros) did not rise in the phenomenal manner of exports. The tonnage value of imports increased in 1942 over 1941 only 13.6 percent, whereas that of exports rose by 48.1 percent. The increase in the value of exports, which totaled in 1942 7,495,000,000 cruzeiros, representing a volume of 2,659,000 metric tons, caused Brazil to have the highest export balance in its history.

[3] The following trade figures are taken largely from an official foreign publication which utilized official Brazilian sources.

## *Exports at High Level*

The high maintenance of Brazil's exports was largely the result of war demands for strategic materials and manufactured goods. The change in the composition of its exports is indicated by the case of coffee. This semiluxury foodstuff has normally represented about half of Brazil's export value, but the critical shortage of shipping made it necessary that the available space be used for such strategic materials as manganese, iron, rutile ore, rubber, castorseed, castor oil, and hides. From a contribution to Brazil's total export value of 40 percent in 1939, coffee shipments decreased to 30 percent in 1941 and 16 percent in 1942. In volume the decrease in coffee exports since 1939 has been as follows (in bags of 60 kilograms): 1939, 16,645,093; 1941, 11,054,566; 1942, 7,279,608.

## *The Coffee Situation*

The distribution of export volume and value among a greater number of products, and particularly the appearance of manufactured goods in this list, cannot but have a generally wholesome effect upon Brazilian economy. Brazil's major economic liability has always been its heavy dependence upon a single commodity. The maladjustments of such an economy have been evident in the past in overproduction, competitive difficulties, and financial strain.

Overproduction of coffee has been one of the most serious of Brazil's problems for many years, and the only satisfactory solution has proved to be the Government control of production and the systematic destruction of a large part of the annual coffee crop. In recent years the percentage destroyed has been about 30 to 35 percent of the crop, and since 1931 a total of over 76,000,000 bags of inferior coffee have been allotted to destruction—the equivalent in volume, though not in quality, of about 3 years' world coffee consumption. The effective curtailment of production to a level equivalent to demand is a problem for which no controlled method has so far been found. Decreased production is dependent upon such uncontrollable factors as frost, which destroyed a large number of trees last season, and decreases in demand, such as occurred with the present war. Whether these currently active factors

Coordinator of Inter-American Affairs.

At the plant of the Industria Organoquimica, Ltd. Equipment for one of the steps in extracting caffein from cocoa.

Coordinator of Inter-American Affairs.
Assembling hand-operated wringers for raw rubber.

will cause a reduction in future production is a question.

Brazil's coffee industry is assured stability for the present at least by the United States' contract to buy through the Commodity Credit Corporation, for either shipment or storage in Brazil, the entire amount of the unshipped surplus of Brazil's 1942–43 coffee quota to the United States. This quota, which is 9,300,000 bags yearly, is greater than annual United States imports from Brazil for any year from 1934 to 1940.

## *War's Effect on Cotton*

Cotton—recently the second of Brazil's exports—has been affected by the war in much the same way as coffee. Prior to the war, Japan, Germany, Great Britain, and China were the primary importers of Brazilian cotton, purchasing between 1936 and 1939 an average of 75.8 percent of total exports. All of these countries except Germany continued through 1941 to make substantial purchases of Brazilian cotton, and, while their percentage participation then dropped to 45.1, these purchases, augmented by unprecedentedly heavy imports by Canada, caused Brazil to maintain in 1941 the high cotton-export level of 288,274 metric tons. In 1942, however, shipments completely stopped to Japan, Germany, and China, and Brazil's total cotton exports suffered accordingly. That exports were able to maintain the level they did was due to increased purchases by Spain, Great Britain, and Sweden.

Several factors, however, prevented the development of a dangerously heavy cotton surplus. Concern as to the disposal of the 1942–43 crop led the Government in 1941 to advise planters to reduce plantings—which fact, together with excessive rains at the beginning of the season in Sao Paulo and a severe drought in the Northeast, caused the crop to be extremely small. In Southern Brazil it amounted to only 298,273 metric tons, as compared with 402,563 metric tons in the preceding year, and in Northern Brazil to only 101,592 metric tons, as compared with 140,909 metric tons during 1940–41. Moreover the cotton mills, producing largely for export to other Latin-American countries, increased their cotton consumption from 150,000 metric tons in 1941 to 180,000 metric tons in 1942. Another satisfactory development in the cotton market during 1942 was the signing with the United States of an agreement for the purchase by the latter of 58,000 metric tons of cotton linters at a very satisfactory price.

## *Cocoa*

Cocoa, another foodstuff and raw material which has ranked fourth in value among Brazil's exports, likewise suffered less from war conditions in 1942 than might have been feared. The interruption of Gold Coast shipments of cocoa beans to the United States, in consequence of the preference for African chrome and manganese, stimulated the United States demand for Brazilian cocoa beans and brought an exceptional prosperity during the 1941–42 season. Because of the record high purchases of the United States in 1941, cocoa exports were the second largest since 1936, even though Italy, Germany, and the Netherlands, which normally occupied second, third, and fifth places, respectively, in cocoa purchases, were entirely eliminated. After the third quarter of 1942 exports declined by 65 percent from the comparable period of 1941, and stocks were more than double those during October–December 1941.

However, this industry, like coffee, was stabilized by the negotiation of an agreement with the United States for purchase by the Commodity Credit Corporation of 1,300,000 bags of the 1942–43 cocoa crop. This quantity is only 6.1 percent under the average United States imports from all countries during the years 1936 to 1940 and only 34.3 percent under Brazil's total cocoa exports in this period.

## *Factors in Meat Trade*

Throughout its extensive area Brazil has vast herds of cattle, but in the past meat production has been retarded by conditions in the cattle industry. Recently, however, meat production has risen at a rapid rate, total output increasing, from 1938 to 1941, from 582,000 to 720,000 metric tons. Of the 1941 production, 193,000 tons were exported. Although complete figures for 1942 are not available, the export trend is indicated in the shipments of meat and meat products from Santos, which in the first 9 months of 1942 increased to 66,641 metric tons as compared with 51,481 metric tons in this period of 1941.

A favorable factor during the 1941–42 season was the conclusion of agreements with Great Britain for the purchase of 79,000 tons of Brazilian meat, and all indications are that production and exports have been maintained at a satisfactory level thus far during the war. However, because of local meat shortages a decree was passed late in 1942 prohibiting the slaughter of meat for export during a certain period, and the effect of this, together with a severe drought in Rio Grande do Sul, will limit the amount available for export in the near future.

## *Vegetable Oils*

The elimination of the Far East as a source of supply stimulated the demand for Brazil's tropical products such as vegetable oils and oilseeds, as well as rubber.

In March 1942 the United States sent to northern Brazil a mission to investigate the resources of babassú, a palm growing in vast numbers in the northeastern States of Piauhy, Maranhao, and Para, and producing a nut which is a good substitute for copra. On July 24, 1942, a 4-year agreement with the United States was signed whereby the Commodity Credit Corporation agreed to purchase during the first 2 years the entire exportable surplus of babassú kernels and oil, and up to 100,000 metric tons of babassú kernels or its equivalent in oil during the third and fourth years of the agreement.

On July 1, 1942, an agreement on castor seed and oil was signed whereby, prior to June 1943, the Commodity Credit Corporation would purchase 200,000 long tons. This quantity is well over double the purchases of the United States from Brazil in any recent year except 1941, when the United States imports jumped to 195,561 metric tons from 74,391 metric tons the previous year. United States

imports of castor beans from Brazil were about 64,537 tons for the period 1936–40, and Brazil's total castor-seed exports averaged 118,123 metric tons yearly in that period. The babassú oil has strategic value because of its byproduct of glycerine, which is recovered from its primary use in soap manufacture. Castor oil has particular current value as a hydraulic brake fluid and as a substitute for Chinese tung oil as a dryer in paints.

The demand for another Brazilian vegetable oil—oiticica—was greatly stimulated by the war. Oiticica oil also is an excellent substitute in high-grade paints for the Chinese tung oil. Demand for this product in the United States, virtually the sole purchaser, has risen to such an extent in recent years that Brazilian exports in 1941 reached a figure almost five times the quantity exported in 1938, rising from 3,717 metric tons in 1938 to 16,606 metric tons in 1941, of which the United States took 3,086 in the former year and 15,975 in the latter.

In an attempt to retain control of this product, which is native only in the Brazilian Northeast, Brazil has prohibited the exportation of oiticica seeds, and exports are *only* of the oil. Production was adversely affected in the past year by the severe drought in the region, and oil output and exports were well below normal.

## *The Rubber Drive*

The product whose scarcity has constituted one of the most crucial commodity problems in the United States war economy—natural crude rubber—is one of which we have been deprived by the Far East's involvement in war and one for which Brazil offers the only prospect of any sizable supply.

Less than 3 months after Pearl Harbor the United States Rubber Reserve Company had negotiated an agreement with Brazil for increased rubber production in the Amazon Valley, and a contract was made whereby this agency would purchase the entire export surplus of Brazil's crude rubber. A liberal base price was set, and premiums were established for annual shipments of over 5,000 and 10,000 metric tons. In February 1943 the program was greatly expanded with the formation of the Rubber Development Corporation.

In the endeavor to augment the production of natural rubber, the Rubber Development Corporation undertook a vast program including the construction of a number of airports throughout the Amazon jungle to facilitate transport of rubber and workers—the supplying of equipment and food to the rubber gatherers—and the instruction of the rubber collectors in the most modern methods of rubber tapping. The activities of this agency were complemented by the Office of the Coordinator of Inter-American Affairs, which established sanitation centers throughout the Amazon Basin and began a program of local food production; and also by the Brazilian Office of the Coordinator of Economic Mobilization, which took over the task of transporting into the Amazon, to collect rubber, 50,000 drought sufferers from Brazil's Northeast.

The rubber-purchasing agreement with Brazil extends for 5 years, and it is expected that under this diversified program rubber production will be increased to at least double the recent yearly output of 20,000 metric tons, of which the United States will receive all that is not consumed by Brazil's rubber-products industry. But an even more important result might be an effective beginning in the utilization of this vast area, which, while including so large a part of the world's surface, has long stagnated apart from the world's activity.

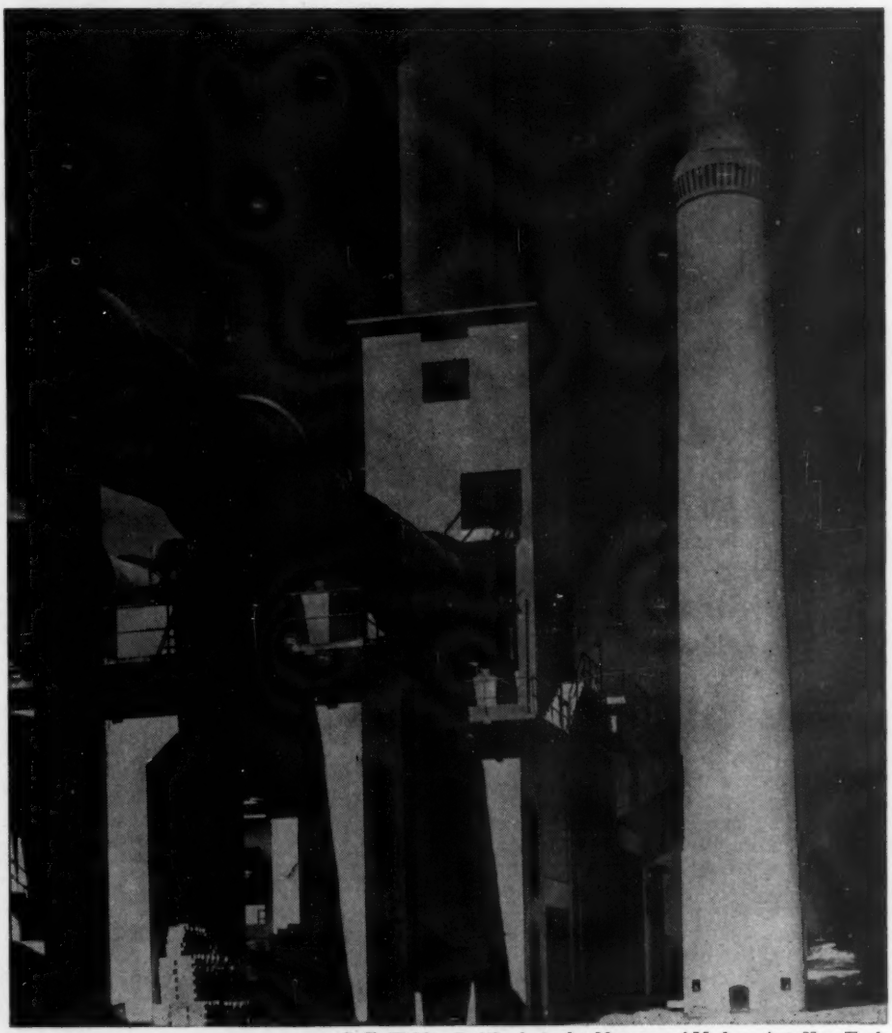
## *Import Developments*

The important development in Brazilian import trade has been the sharp decrease in shipments of fuels, machinery, and raw materials for industry, and the corresponding development in Brazil of local supplies of substitutes for these commodities.

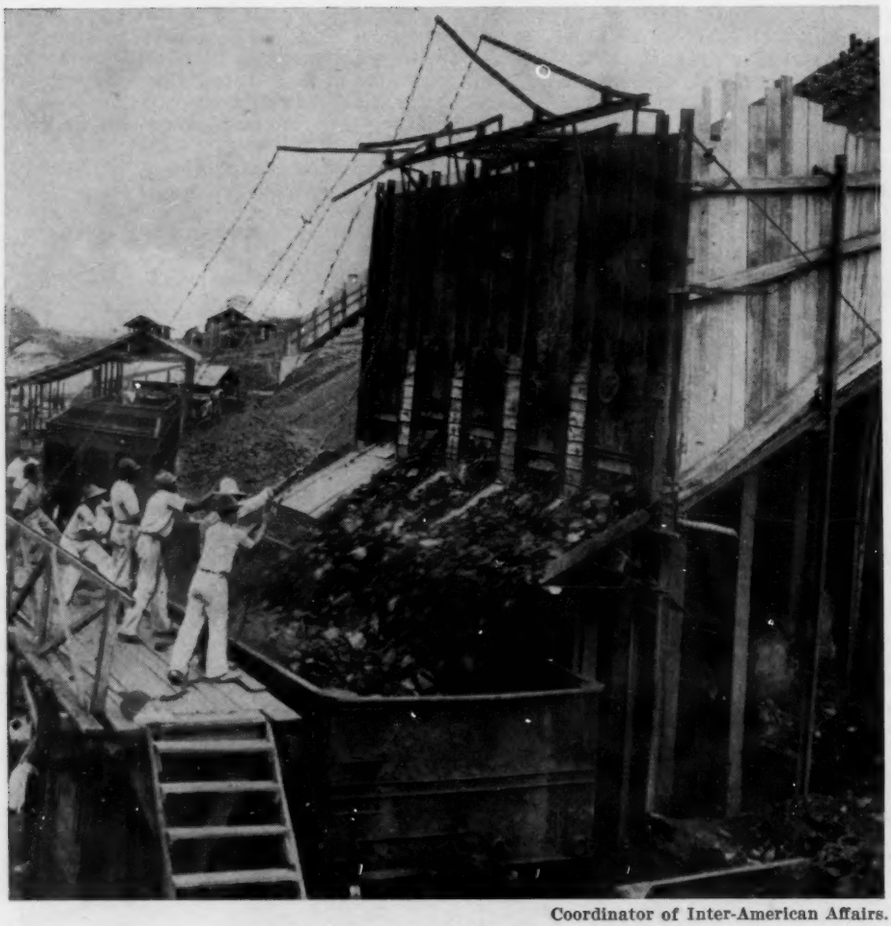
Fuel has been the most acute shortage, and Brazil's devices for combatting it have constituted one of the most significant war developments. Coal, gasoline, and combustible oils have consistently been among Brazil's major imports, ranking respectively fifth, seventh, and eighth in the total import value in 1942. Because of their bulk the shortage of shipping space has particularly affected supplies of these commodities, and their essentiality to the transportation and utility services has imposed perhaps the heaviest of all of Brazil's war burdens. The failure of coal shipments made necessary a measure restricting the consumption of artificial gas in Rio and disrupted utility services in northern Brazil.

## *Cement Industry Hit*

Particularly affected was the cement industry. During 1942 cement plants at Rio and Parahyba—the latter being the only one in northern Brazil, and producing material for airport construction—were forced at different times to close down through failure to obtain fuel oil. Toward the end of 1942 the import duty on cement was suspended to allow imports from Argentina. Cement is a vital industry in Brazil: in the lack of domestic steel production, cement has been adapted to a much greater variety of structural uses in Brazil than in other countries, and cement is one of the few basic industries in which Brazil is over 95 percent self-sufficient. Although the



G. E. Kidder Smith photo for Museum of Modern Art, New York.
National Portland Cement Co., in Niteroi, State of Rio de Janeiro.



Coordinator of Inter-American Affairs.

Magnesium being mined in Brazil.

main plants renewed operations not long after they were forced to close down, production since then has been on a reduced scale.

The cement shortage was largely responsible for a recent decline in construction. Building permits issued during the month of January in the last 3 years indicate that, whereas building activity in this month of 1942 exceeded that for the same period of 1941, there was a marked decline in January 1943 over both these periods.

## *Gasoline Dilemmas*

The gasoline shortage was equally serious. Gasoline rationing was begun in April 1942, and the shortage became so acute that in July all private passenger vehicles (with a few exceptions) were ordered off the streets.

The inadequacy of the gasoline supplies has been felt particularly in the collection of the current bumper cotton crop in Sao Paulo. Almost the entire crop is transported to the gins by trucks, and these have not been able to operate sufficiently to carry the supplies. In all kinds of petroleum products, consumption in Brazil has been reduced by about 40 percent. This was partly compensated for by conversion to other types of fuel. Restaurants, hotels, apartments, and other users converted from fuel oil to wood and charcoal consumption, and industries to such fuels as cottonseed cake and oil. Rationing or stock control has been imposed upon all important fuels.

## *Fuel Shortage an Incentive*

On the other hand, these shortages have constituted an incentive to the development of Brazil's natural resources of fuel and power that is perhaps as valuble in the long run as the shortages are trying in the present. Water power is a major asset of Brazil, and, although since 1900 Brazil has made great progress in its utilization, still only 8 percent of its potential is harnessed. Its greater development, to be employed for transportation and for industry, would provide a definite impetus to both.

From Brazil's central plateau numerous rivers flow toward the coast, supplying water gradients and falls among the most powerful in the world, and placing Brazil sixth among nations in potential hydroelectric energy. The arid Northeast is the only region where water power is not abundant, and its power problem may be solved by the construction of dams to provide water for the drought area.

The recent gains in expansion of hydroelectric power indicate the possibilities for the future. In 1920 the potential in kilowatt-hours was 354,980, whereas in 1940 it was 1,186,882. In 1900 the generating power of thermoelectric plants was double that of hydroelectric, whereas today only about 15 percent of the total power generated is thermoelectric.

Moreover, coal is used for power generation only in two districts—in the Northeast, where there is a lack of water power, and in Rio Grande do Sul, where the lack of water power is offset by the presence of Brazil's largest coal deposits. If the war conditions can stimulate Brazil to yet further expansion of its hydroelectric resources, the current shortages may prove well worth these sacrifices.

The same is true of coal. Although Brazil's coal is of a low grade, there are fairly large deposits in the southern States of Santa Catharina, Parana, and Rio Grande do Sul, which could be utilized on a much greater scale than they have been in the past. The production has increased steadily in recent years, having doubled since 1937. The tendency is being stimulated by the present shortage, and strenuous efforts are being made to increase production. American technicians are cooperating with the Federal Interventor in a main Brazilian coal region, Santa Catharina, and the port facilities of Laguna and Imbituba, which are the coal ports of the district, are to be improved to handle greater shipments of coal.

## *Alcohol From Sugar*

For a number of years Brazil has been partly meeting its fuel deficiencies by the mixture with gasoline of alcohol refined from sugar. This measure solves two problems at once—the sugar surplus and the fuel shortage. Since 1931, when there was instituted the regulation that all gasoline be mixed with 5 percent alcohol, alcohol production has more than doubled, and the production of anhydrous alcohol, first begun in 1933, now accounts for about half of the total. Brazil has thus become the world's eighth largest producer of alcohol. Alcohol utilization for motor fuel was greatly intensified with the failure of gasoline shipments, and the percentage used with gasoline reached as high as 90 percent in September 1942.

## *Resort to "Gasogenes"*

Still another means that Brazil has used in combatting the fuel shortage is the construction on a fairly large scale of gasogene motor equipment. A decree was passed requiring all operators of as many as 10 vehicles to convert 1 to gasogene, and two prominent American auto companies in Brazil have begun to manufacture gasogene equipment.

In April 1943 there were 2,084 automotive vehicles in Rio and about 5,000 in Sao Paulo operating on gasogenes, using charcoal as a fuel. It is estimated that by the end of 1943 there will be 10,000 gasogene-operated vehicles in Sao Paulo, or about one-fifth of the total vehicles in operation in the State. The availability of plentiful supplies of timber for the production of charcoal has fostered this type of fuel substitution, but the shortage of tin plate for the manufacture of the units has been a hindrance. In any case the disadvantages of producer-gas equipment in cost of

maintenance make it useful only as a temporary war measure, and the substitutions in other directions are probably more important factors in the long-term solution of Brazil's fuel problem.

## *Oil Fields Opened*

Of importance is the opening up of oil fields in the State of Bahia, Brazil. Production of crude oil from these fields has increased in the last 3 years at the following rate, in liters: 1940, 329,925; 1941, 500,818; 1942, 3,673,957. The search for petroleum has been carried on almost exclusively by the Federal Government. In 1938 the National Petroleum Council was created, and it is this organization that is conducting the operations at the Lobato fields in Bahia. Present production is limited by the lack of machinery, but orders have been placed in the United States for equipment which, when applied, will enable production to increase to an estimated 100,000 liters per day.

Thus, the effect of the war shortages has been to stimulate the Brazilian exploitation of three vital natural resources—hydraulic power, coal, and petroleum.

## *Incentive to Industry*

The same phenomenon has occurred in the case of various industries. An outstanding example is that of pulp and paper. Cellulose for paper has consistently been one of Brazil's major imports (ranking tenth in value in 1941), and normal annual imports of newsprint, paper, and paper products have amounted to about 130,000 metric tons—equivalent to two-thirds of the national consumption of these commodities. Previously, imports have been supplied by Sweden, Norway, Finland, and Germany, but all Scandinavian shipments ceased in March 1942, placing the entire burden of supply upon the United States.

But the United States was able to ship less than 10,000 tons of woodpulp during 1942, and the shortage of newsprint at several times became severe—particularly from December 1942 to the end of February 1943—so that various newspapers were able to publish only "token editions." Rather than reduce the number of sheets in their papers, the general practice of meeting the shortage was to curtail the number of copies printed. However, on March 23, 1943, newspaper publishers in Sao Paulo agreed to reduce the amount of space devoted to general news by summarizing social news, speeches and reports, and eliminating cuts.

That the printing establishments have been able to continue operating upon the present scale is due to the accumulation of particularly large stocks of Swedish pulp in the 6 months prior to March 1942. Although these stocks are now depleted, the situation will probably improve with increased shipments from the United States and with an accelerated activity by local producers.

## *Local Newsprint Program*

Some months ago, in the face of the newsprint shortage, an emergency newsprint production program was begun by the local paper mills, aiming at the production of 1,000 tons a month, or 25 percent of the national needs. Later, however, newsprint shipments began to arrive, and the program was dropped—the mills, unable to compete in price and quality with the foreign newsprint, reverting to their practice of producing only the higher-grade papers. Brazil is self-sufficient in the production of mechanical wood pulp, but produces no chemical pulp.

Substantial domestic supplies of both of these pulps and of newsprint are in sight with the construction of a new mill being built in Parana, at a cost of $6,500,000 (U. S. currency). This mill, which would be the largest wood-pulp and newsprint manufacturer in South America, plans to produce yearly 40,000 metric tons of chemical wood pulps and 40,000 tons of newsprint, and expects to begin production early in 1944.

## *Caustic Soda, Soda Ash*

The two other products in which shortages have been most severe, and ones for which Brazil has so far not been able to develop domestic supplies or substitutes, are caustic soda and soda ash. Shortages of caustic soda caused the temporary shut-down of factories producing soap, cellophane, and rayon textiles, while the failure of shipments of soda ash forced some glass factories temporarily to cease production.

## *New Markets Developed*

The elimination of European and Far Eastern markets as sources of supply has indirectly benefited Brazil in yet another way. Besides providing a domestic market for locally produced goods no longer imported, it has also secured to Brazil foreign markets in this hemisphere for products the demand for which has heretofore been supplied by the countries now within the war arena. Foremost of the commodities benefited is cotton textiles, which between 1939 and 1941 increased their total value of exports from 29,000,000 to 208,000,000 cruzeiros and their percentage contribution to the value of total exports from 0.5 to 3.1 percent. The following year textiles more than tripled this percentage and attained second place in the value of Brazil's exports.

The main importer has been Argentina, which consistently has purchased more than half of Brazil's total textile exports. (Brazil balances this export by imports of Argentine wheat, the latter of which has been the second largest import in value.) The other importers of Brazilian textiles are almost exclusively the other Latin-American countries.

Brazil has also come to export, although in small amount, such a variety of manufactured goods as rayon and artificial silk yarns, machinery, electrical equipment, bathroom fixtures, pencils, imitation leather, chemical products, dental articles, iron, insulators, varnish, and leather goods.

## *National Steel Co.*

Although not strictly a war measure, the most outstanding of Brazil's current industrial developments is the large steel plant of Volta Redonda being constructed by the Government-organized National Steel Co. Brazil contains minerals in abundance, but in the past has furnished but a small part of the metals consumed. Brazil's deposits of iron are

Coordinator of Inter-American Affairs.

Filaments of rayon being twisted for strength, Nitro Quimica, Sao Miguel, Brazil.

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estimated at 22 percent of the world's total and are of an exceptionally high-grade ore; yet crude iron and steel have held seventh place in value among Brazil's imports, representing between 3 and 4 percent of the total.

There are in Brazil several plants producing pig iron and lighter steel products, but these have not produced the heavier types. The Belgo-Mineira company, which supplies about half of the national pig iron and ingot steel, directs 60 percent of its present output into concrete reinforcing bars and the remainder into light shapes, rods, and wire products.

The new company is designed expressly to supply this lack of heavy steel. It will produce rails, medium and heavy structural forms, plates, and tin plate, as well as a number of other metal products and chemical byproducts. The plant, which was first begun in January 1941, is expected to reach completion in 1944, and will have an initial yearly capacity of about 350,000 metric tons of ingots, or 250,000 metric tons of finished products.

## *Admirably Located*

The project is under the supervision of the Federal Government, with capital stock held partly by the Government and partly by private investors. The original cost was set at $45,000,000, a large part of which was to be provided by a loan from the Export-Import Bank of Washington. The amount the enterprise will require has now been increased to $75,000,000, of which $45,000,000 will be covered by a credit of the Export-Import Bank, with the remaining $30,000,000 being furnished by the Brazilian Government and private investors.

The plant is being built in the heart of Brazil's industrial district, on the Paraiba River, between Rio de Janeiro on the east and Sao Paulo on the west and between the Itabira iron-ore deposits in Minas Gerais on the north and the Santa Catharina coal fields on the south. The district is well served with railways, and the port facilities for shipping coal from Santa Catharina and the railway serving the Minas Geries iron-ore deposits are both being improved to provide greater access to these raw materials.

One primary reason for the failure to exploit Brazil's iron-ore resources in the past has been the lack of a good coking coal, the deposits in southern Brazil being of a high ash content. However, it is intended to begin the operations of the new steel mill on a coke produced from a mixture of 85 percent of imported with 15 percent of the better Santa Catharina coal, with the proportion of local coal used to be increased as production progresses.

The importance of this enterprise for Brazil's general economy can hardly be overemphasized. The achievement of full production by the company should (1) make Brazil virtually self-sufficient in certain types of metal products and (2) provide a foundation for the development of manufactures of machinery and tools, which in the past have been one of Brazil's largest import items.

## *Aluminum Projects*

Another metallurgical industry whose development is a direct result of the war is that of aluminum. On the Pocos de Caldas Plateau in southern Minas Gerais, Brazil has large deposits of high-grade bauxite ore, and there is available abundant water power to generate the electricity necessary to the manufacture of aluminum. However, the great expense involved in the development of electrical energy and in the installation of machinery has heretofore prevented the development of a reduction plant, and Sao Paulo's thriving industry of aluminum-ware manufactures has had to depend entirely upon imports for raw materials. These importations have been made very difficult by the war, and dropped from 1,700 metric tons in 1939 to 1,064 metric tons in 1940 and to 218 metric tons in 1941.

In the last year, at the instigation of the Brazilian Government, a project was organized for the production of aluminum metal, and there are now under construction in Ouro Preto, Minas Gerais, two plants for the production of alumina and aluminum. By October (1943) these are expected to begin production at the rate of 2,000 metric tons of metallic aluminum yearly. This output will be about 20 percent greater than Brazil's normal requirements, so that, besides enabling the aluminum-ware factories to resume production, it will also provide a surplus either for export or for new local industries. A possible consumer is Brazil's nascent aviation industry, which, while it must confine its initial operations to assembly, is intended eventually also to produce airplane parts. A factory to manufacture airplane motors is now under construction.

## *Industry's Place*

But, lest the unusual progress of Brazil's industry during the war obscure the progress that still remains to be achieved, it is well to view the present status of Brazilian industry in terms of the population which it serves. In proportion to its population and resources Brazilian industrial development is not great. The per capita value of industrial production in 1938 was only the equivalent in value of approximately $24 (U. S. currency). While the value of Brazilian production has risen considerably since 1938, this increased value (to a large extent the result of inflationary prices) tends to exaggerate the achievements in actual production.

Amounts of money in circulation, and land values, have been rising at a rapid rate since the beginning of the war. Circulation of paper money in Brazil increased from 4,802,762,656 cruzeiros in January 1939 to 6,736,123,450 cruzeiros in January 1942, and on January 31, 1943, was almost double the pre-war level. Land values in both the cities and the interior have increased as much as 300 percent since the outbreak of the war.

Wages have not paralleled the rise in prices. The average Brazilian workingman's income may have increased 30 percent since the outbreak of the war, whereas the prices of some staple foods have risen to as much as 300 percent. Rice, sold in 1939 for about 4 cents a kilogram, now costs 11 cents. Prices of meat, beans, and fruits have increased in a smaller proportion. A recent report of the Sao Paulo Industrial Workers' Pensions Institute shows that, of 1,311,746 contributing members, 1,007,746 receive monthly wages of less than

(Continued on p. 25)

G. E. Kidder Smith photo for Museum of Modern Art, New York.

Brazil's future technicians and mechanical specialists are studying today in such institutions as *this*—an industrial school at Rio de Janeiro.

# South Africa's Chemical Industry

## *The Trend Toward Self-Sufficiency Continues*

*By* A. H. SWIFT, *Chemical Unit, Bureau of Foreign and Domestic Commerce*

THE DEVELOPMENT of the chemical industry in the Union of South Africa during the last 20 years is in line with the world trend toward greater industrialization in agricultural countries. At the outbreak of the present conflict, the South African chemical industry was still relatively young; nevertheless, the value of output was approximately $56,000,000.

At the outbreak of World War I, manufacture of chemicals and allied products was too small to have complete statistics furnished, therefore no comparison with that period is possible. The growth of the industry has taken place since the earlier war period, more especially in recent years. When shortages of supply during the present war occurred, owing to difficult transportation, attempts were made to compensate for some shortages by local manufacture, and the list of new factories and new products is impressive.

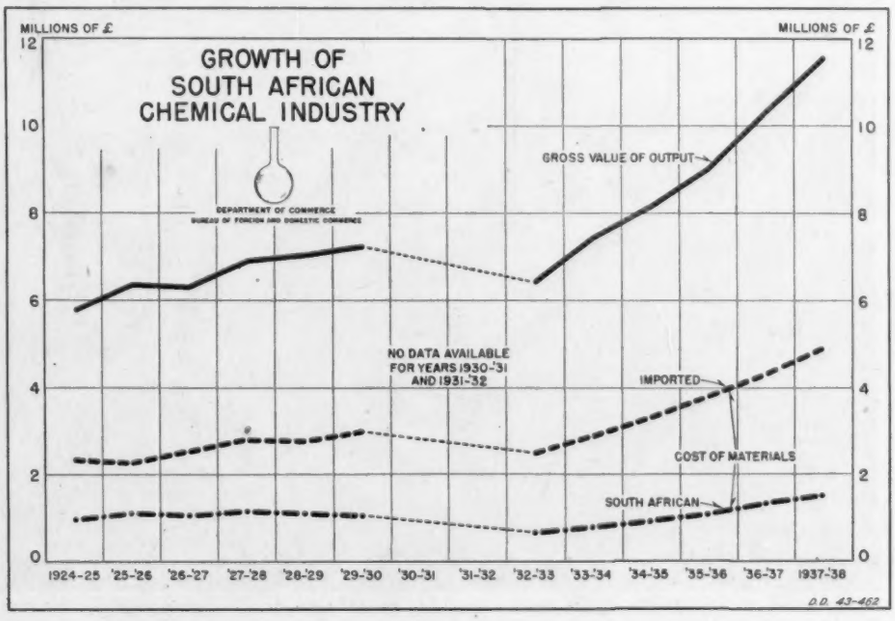
If data were available recording the value of chemicals and allied products made at present, the story would parallel, on a smaller scale, that of two other Empire Dominions—Canada and Australia — the chemical-manufacturing growth of which has been almost phenomenal during the last few years. Both of these countries, however, already were producing chemicals at the outbreak of World War I, so they were in a position to accelerate output during that period. Expansion thereafter continued at a slower pace until the defense era stepped up new construction. It is improbable, however, that the South African chemical industry can reach the figures attained by either of the two other Empire countries. By 1938, Canada was producing about three times as much, and Australia more than twice as much, as the Union of South Africa.

The South African chemical industry is dependent to a large extent on the importation of foreign materials, and, with the expansion in chemical manufacture, the use of imported materials kept pace with production, as is evident in the chart.

### *Explosives, Dominant Factor*

As is true in most countries, a single large consuming industry is usually a contributing factor to the development of the chemical industry, and in South Africa mining has played that role. One large organization, the African Explosives and Industries, Ltd., manufacturers of gelignite, dynamite, detonators, fuses, and other mining explosives, acids, fertilizers, insecticides, fungicides, sprays, ammonia, and other industrial chemicals has dominated the South African chemical industry since its formation in 1924. Capitalization of this firm is £5,000,000 all paid in, and employees number 5,200. Factories are located in the Cape Province, the Transvaal (which is claimed to have the largest explosive plant in the world), in Natal, and in Southern Rhodesia. The British I. C. I. has been interested in this concern.

Byproducts of such major industries as sugar refining and milling and iron and steel works contribute to chemical production. In 1934, the State-aided South African Iron and Steel Industrial Corporation, Ltd., at Pretoria, became another leading concern manufacturing such chemicals as tar, benzol, toluol, xylol, ammonia liquor, creosote, and naphthalene. Agricultural pursuits require large amounts of chemicals, and the fertilizer manufacturing branch has formed a substantial part of the South African chemical industry.




### *Data Show Progress*

The progress of South Africa's chemical industry since 1925 is indicated in the table at top of the following page.

In 1937–38, the latest year for which statistics are available, there were 201 private establishments manufacturing products with a gross value of £11,557,576 ($56,000,000). Included in this grouping, however, are some firms making miscellaneous products, such as lubricating oil and grease, or engaged in oilseed crushing. Detailed official manufacturing statistics are for private establishments. In addition, there are some Government undertakings which for the year 1933–34, for example, consisted of eight factories—six of them producing fertilizers and two manufacturing chemicals. By 1937–38, Government participation in chemical business expanded to 13 establishments, the increase being in fertilizers. In 1937–38, Government establishments were capitalized at £227,060, employing 411 persons, and with gross value of output place at £144,495, of which £63,824 represented fertilizers.

*Statistics on Private Establishments Engaged in Manufacturing Drugs, Chemicals (Including Fertilizers and Byproducts), Paints, Varnishes, and Allied Products, in 1924–25 to 1937–38*

[Values shown in pounds sterling]

| Item | 1924-25 | 1929-30 | 1933-34 | 1934-35 | 1935-36 | 1936-37 | 1937-38 |
|---|---|---|---|---|---|---|---|
| Number of establishments | 113 | 136 | 177 | 185 | 194 | 199 | 201 |
| Value of land and buildings | 1,525,164 | 1,724,688 | 1,876,190 | 2,354,892 | 2,645,936 | 2,578,089 | 2,899,414 |
| Value of machinery and plant tools | 1,642,169 | 1,367,931 | 1,740,024 | 2,198,026 | 2,751,595 | 2,296,961 | 2,504,727 |
| Number of employees, total | 7,988 | 8,847 | 8,774 | 9,632 | 10,827 | 11,630 | 12,038 |
| Europeans | 2,059 | 2,545 | 2,920 | 3,197 | 3,527 | 3,703 | 3,924 |
| Amount salaries and wages paid | 808,074 | 900,619 | 914,139 | 1,076,211 | 1,173,114 | 1,295,534 | 1,380,162 |
| Engines and motors, total | [1] 15,676 | [1] 12,885 | [1] 21,267 | [1] 22,255 | [1] 23,895 | [1] 30,455 | [1] 32,522 |
| Cost of fuel, light, power | 128,012 | 128,910 | 141,939 | 156,874 | 179,245 | 205,696 | 228,533 |
| Materials used, total cost | 3,276,495 | 3,954,561 | 3,660,693 | 4,227,412 | 4,857,230 | 5,602,160 | 6,388,803 |
| South African | 949,046 | 970,903 | 781,691 | 916,329 | 1,076,628 | 1,317,049 | 1,496,007 |
| Value added to materials | 2,501,520 | 3,284,686 | 3,768,526 | 3,892,882 | 4,149,598 | 4,732,452 | 5,168,773 |
| Gross value of output | 5,778,015 | 7,239,247 | 7,429,219 | 8,120,294 | 9,006,828 | 10,334,612 | 11,557,576 |

[1] Horsepower.

Source: Census of Industrial Establishments.

Comparatively few details of the individual commodities have been published in the Official Census of Industrial Establishments. First in importance are explosives for mining and industrial purposes, including such products as glycerin, blasting gelatin, gelatin dynamites, gelignites, and blasting cartridges, made for many years.

The development of the explosives industry was followed by manufacture of calcium carbide, cyanide, industrial gases, ethyl alcohol, coal-tar products, and agricultural chemicals. Of the agricultural chemicals consumed in large amounts, fertilizers are outstanding, and superphosphates, bonemeal, ammonium sulfate, mixed fertilizers, and other fertilizers of domestic manufacture have been on the local market for many years. Sprays, fumigants, cattle and sheep dips, and similar preparations have been in wide use over the years, but information relative to early manufacture is not available. Production of most of the foregoing chemicals has increased to such an extent that now there is a surplus for export.

Quantities of the more important items for which figures have been published in the South African Census are as shown in the table in the next column.

## *New Factories, New Products*

When the current war interfered with the supply of necessary raw materials, manufacture of chemicals was stimulated and substitute products were sought. In this work, the Leather Industries Research Institute, at Grahamstown, became active, and accomplishments are noteworthy.

Important extensions in the plants manufacturing calcium carbide and cyanide have taken place since the outbreak of war, and now make it possible for the greater part of the South African consumption of these two chemicals to be supplied by local factories, despite the heavy increase in consumption. Moreover, 18,000,000 pounds of calcium carbide of South African manufacture were exported in 1940.

Recent completion of a plant for the manufacture of chrome chemicals has made it possible for these products also to enter into South Africa's export business. Local production of sodium silicate and sodium sulfide likewise has been increased, owing to additional manufacturing facilities. Sodium thiosulfate is being made commercially in a plant at Port Elizabeth.

Other plants put into operation or under construction since 1941 include the following: Three distilleries in Southern Rhodesia—being erected to produce alcohol from sweetpotatoes, corn, and molasses; a new ammonia concentrating plant is located at Pretoria; an arsenic plant in Southern Rhodesia; a plant in Johannesburg recently started production of moth repellents; an enlarged plant in Germiston is now making pigments, including a carbon-black substitute; and plants are under construction in the Transvaal for production of lemon, orange, and grapefruit oils on a large scale.

The South African Pulp and Paper Industries, Ltd., placed a liquid chlorine plant in operation in 1942, according to that company's annual report. In Southern Rhodesia, manufacture of cattle dips was started in another plant toward the end of 1942.

Glue and gelatin have been given considerable attention, and expansions are contemplated, as indicated by the registration of the African Fertilizer & Glue Works, Ltd., to make glue, gelatin, and bonemeal in a factory at Factoria; the

*Production of Specified Chemicals in 1929–30 to 1937–38 by Private Industry*

| Commodity | 1929-30 | 1933-34 | 1935-36 | 1937-38 |
|---|---|---|---|---|
| Glycerin, pounds | 1,855,808 | 2,051,568 | 2,831,311 | 4,190,435 |
| Fertilizers | £746,481 | £571,106 | £839,922 | £1,023,821 |
| Superphosphate, tons | 128,299 | 157,641 | 154,712 | 172,130 |
| Bonemeal, do | 11,250 | 13,980 | 13,965 | 13,671 |
| Ammonium sulfate, do | 1,087 | 1,747 | 695 | 1,160 |
| Mixed fertilizers, do | 45,412 | 47,097 | 60,438 | 86,866 |
| Coal tar, gals | 911,581 | 1,228,619 | 1,914,066 | 2,464,272 |
| Soda crystals, pounds | 2,116,092 | 1,489,431 | 1,646,512 | 1,810,982 |
| Dips, disinfectants, etc | | | £131,190 | £150,820 |
| Medicinal preparations | | | £514,688 | £746,990 |
| Perfumery, cosmetics, toilet preparations | | | £180,137 | £302,855 |
| Candles, pounds | 20,532,639 | 21,569,271 | 22,388,591 | 22,681,860 |
| Paints, polishes, varnishes, total | £363,923 | £533,729 | £776,041 | £978,802 |
| Oil paints, pounds | 4,518,676 | 8,248,731 | 13,833,426 | 15,245,188 |
| Water paints, distempers, do | 515,901 | 1,547,495 | 2,857,016 | 4,033,071 |
| Varnishes and stains, gals | 40,975 | 62,684 | 112,103 | 134,413 |
| Furniture polish, do | 867 | 1,347 | 949 | 2,412 |
| Floor polish, pounds | 1,533,562 | 3,682,656 | 5,587,366 | 6,937,963 |
| Boot polish, do | 611,287 | 572,194 | 650,732 | 767,291 |
| Metal polish, do | 50,505 | 48,229 | 55,090 | 58,502 |
| Motorcar polish, do | 10,386 | 29,344 | 9,612 | 4,328 |
| Soap, total | £1,339,926 | £1,073,731 | £1,108,255 | £1,418,318 |

Source: Census of Industrial Establishments.

One of the manufacturing plants in South Africa's chemical industry.

production of a good furniture glue by the United Soap Works at Port Elizabeth; and the planned construction of a factory at Springs, Transvaal.

Products being made in South Africa for the first time include: Lactic acid, sulfonated oils, aluminum sulfate, casein glues, sulfur from domestic pyrites, nitrocellulose finishes, biological preparations from glands of freshly slaughtered animals, belt dressing for engineering workshops, cellulose adhesive according to methods developed by the Research Institute, ethyl chloride, anesthetics, adrenalin, liver extracts, and other medicinal preparations previously imported; also ultramarine blue, a drawing ink, an ink for marking meats and vegetables, pigment pastes for leather finishing, a synthetic polish containing no wax, plastic products from domestic materials, a sanitary wall-coating using 90 percent South African raw materials, a lip salve, and an impregnating compound for waterproofing tents and canvas.

Among the new specialized industries recently established are those making a pipe-joint compound and protective paints and the plastic known as L. I. R. I. 568, which, dissolved in a suitable solvent, is said to bind and firm fibrous material. The new plastic, one of the outstanding discoveries of the Research Institute, is said to be widely used for stiffening the insoles of army boots, the purpose for which it was originally developed. At first, production was carried out at the Institute, but, later, arrangements were made for large-scale production at Port Elizabeth. Experiments were conducted by the Institute on the utilization of sugarcane wax in the leather industries.

Progress was made also in the paint industry. Chrome Chemicals, Ltd., commenced the manufacture of cellulose lacquers and pigment finishes. Manufacture of whiting was undertaken by an industrial concern in Potchefstroom, to be used by the paint, rubber, and other industries. A Transvaal company started mining barites, having installed a new modern plant, and is now producing, among other products, red oxides and kaolin on a rapidly increasing scale. The Johannesburg City Engineer's Department evolved a special kind of luminous paint.

Tung oil is becoming the basis of a new South African industry. Cultivation of the tree from which the oil is produced is reported to have passed the experimental stage, and the Union is now growing about 60,000 tung trees.

Dependent upon imported phosphate rock for production of superphosphate, experiments have been conducted with local material to find an economical and practical method of increasing the solubility of South African apatite. Deposits are estimated to contain several hundred thousand tons of phosphate rock. No definite results have yet been reported.

Agar-agar was not made in South Africa prior to the outbreak of the current war, despite the abundance of seaweed—the raw material—along the coast. Crude agar-agar is being extracted in moderate quantities for use in gelatinous form by manufacturers of ice cream and confectionery, and experiments are continuing, to procure, if possible, dried medicinal agar-agar.

A variety of the ox-eye daisy, said to contain pyrethrum, which grows in profusion in South Africa, can reportedly be used in making insecticides.

## *Location of Industry*

With the exception of explosives, there is no great concentration of the chemical industry in the Union. Of a total of 201 establishments in the drug, chemical, and allied products industry, 79 are located in the Cape Province, 63 in the Transvaal, and 57 in Natal.

The explosives and match industries in 1937–38 had a gross value of products amounting to £4,539,662, made by eight establishments—five located in the Transvaal, two in Cape Province, and one in Natal. Products of the candle and soap industry totaled £1,958,950 in value and were made by 29 plants, 12 of which were located in Cape Province, 11 in Transvaal, and 6 in Natal. Products of the "Manufacturing Chemists, Disinfectants, and Perfumery Industry," valued at £1,485,302 were made in 72 establishments—35 of these being located in the Cape, and 18 each in the Transvaal and Natal.

Fertilizers valued at £1,008,744 were the products of 13 establishments, 7 of which were situated in Natal, 4 in Cape, and 2 in Transvaal.

Twenty-seven plants, fairly well distributed, accounted for the gross value of products of £570,525. Only two plants are located in Orange Free State—one for the paint industry and the other for manufacturing chemists. Other industries were similarly distributed.

## *Foreign Trade Up in 1940*

Notwithstanding the progress made in chemical manufacture, the Union of South Africa is still largely dependent upon foreign suppliers for most of its chemicals. Again referring to a statement and a chart which appeared earlier in this article, what is true for the chemical industry by itself as reflected by its imports of specified chemicals is equally true for all industry as reflected by expanded imports of chemicals to take care of the increased demand from new consuming industries.

Imports of all chemicals and allied products advanced to a new high of $26,400,000 (£6,600,000) in 1940, the latest year for which detailed statistics are published. In 1934, imports of chemicals were valued at $20,000,000 and in 1929 at $19,800,000. During the depression years, imports fluctuated considerably. Higher prices naturally helped to increase the total value.

The following discussion of trade refers only to the Union of South Africa, exclusive of Government purchases and trade with Southwest Africa and Northern Rhodesia, which is small.

Throughout the years, the United Kingdom has been the outstanding source for oversea chemicals, and the United States has been the leading foreign supplier. Of the total imports of industrial chemicals, valued at $8,700,000 in 1940, the United Kingdom was credited with supplying $4,000,000, and the United States $2,100,000; in the class "drugs and apothecary wares," total imports

(Continued on p. 35)

*Imports of Principal Chemicals Into South Africa*

[Quantities and values shown in thousands]

| Item | | 1934 | 1937 | 1940 |
|---|---|---|---|---|
| Acids: | | | | |
| Boric | pounds | 296 | 399 | 552 |
| Citric | do | 162 | 278 | 374 |
| Tartaric | do | 241 | 404 | 464 |
| Ammonia anhydrous | do | 268 | 356 | 292 |
| Ammonium nitrate | do | 4,227 | 25,259 | 19,616 |
| Sodium carbonate | do | 8,379 | 13,090 | 19,145 |
| Sodium hydroxide | do | 12,966 | 13,190 | 16,463 |
| Sodium cyanide | do | 18,365 | 26,164 | 28,732 |
| Sodium silicate | do | 3,046 | 3,752 | 4,738 |
| Laundry blue | do | 744 | 886 | 1,334 |
| Borax | do | 736 | 956 | 1,174 |
| Calcium carbide | do | 118 | 113 | 50 |
| Disinfectants and germicides | | | | |
| Powder | do | 1,756 | 2,075 | 2,033 |
| Liquid | gals | 237 | 129 | 82 |
| Dyes and colors | pounds | 385 | 460 | 696 |
| Glycerin, crude, in bulk | do | 7,853 | 6,225 | 7,826 |
| Glycerin, distilled, in bulk | do | 7,799 | 7,723 | 3,203 |
| Naphthalene | do | 560 | 135 | 91 |
| Sodium nitrate, in bulk, for use in manufacture | do | 41,359 | 23,576 | 15,591 |
| Insecticides, sodium arsenate | do | 4,511 | 1,425 | 207 |
| Cattle and sheep dips | gals | 14 | 15 | 20 |
| Insecticides, liquid | do | 31 | 33 | 28 |
| Insecticides, other | pounds | 14,644 | 5,631 | 7,875 |
| Insecticides, household | do | 181 | 297 | 386 |
| Fertilizers: | | | | |
| Sodium nitrate | do | 691 | 333 | 1,125 |
| Phosphate rock | do | 181,054 | 261,358 | 296,395 |
| Potash fertilizers | do | 10,590 | 17,411 | 26,850 |
| Ammonium sulfate | do | 16,624 | 30,341 | 62,293 |
| Superphosphates | do | 206,405 | 193,031 | 48,376 |
| Sulfur, rock | do | 31,048 | 48,573 | 55,713 |
| Perfumery and toilet preparations: | | | | |
| Nonalcoholic | | £202 | £223 | £195 |
| Dentifrices | | £81 | £89 | £85 |
| Medicinal preparations, nonalcoholic | | £326 | £381 | £504 |
| Rosin | pounds | 2,770 | 2,963 | 4,430 |
| Paints, ground in oil | do | 2,994 | 2,696 | 1,552 |
| Litharge | do | 686 | 1,089 | 1,636 |
| Oxides | do | 2,391 | 4,652 | 7,623 |

Source: Official Annual Statistics.

# News by COUNTRIES

## Belgian Congo and Ruanda-Urundi

### *Tariffs and Trade Controls*

*Rubber: Regulation of Production, Trade, and Exportation Revised.*—Regulations governing the production, commerce, and exportation of native and plantation rubber in the Belgian Congo and Ruanda-Urundi have been revised and consolidated, effective from June 1, 1943, by legislative ordinance No. 152/Agri. of May 21, 1943, published in the Bulletin Administratif of May 25.

As in the previous ordinance of April 1, 1942, exportation of plantation and native rubber is reserved exclusively to the Government of the colony, and the Rubber Commission is to determine conditions of purchase, sale, and exportation.

In addition, the new ordinance charges the Commission with the study, elaboration, and coordination of all measures intended to insure the maximum production of plantation and native rubber necessary for the war effort of the Belgian Congo and for the common action of the United Nations. It is also to examine, approve, and control the execution of programs of rubber plantations and of collecting native rubber. Such programs must be carried out by interested parties upon notification.

The sale and purchase by foreigners of crude rubber intended to be transformed industrially may be made only through organizations designated by the Governor General and acting for the account of the colony.

[See FOREIGN COMMERCE WEEKLY, issues of June 13 and August 8, 1942, for announcements of previous rubber-control measures.]

## Brazil

### *Economic Conditions*

Business conditions in Brazil were satisfactory during August, registering no material change from preceding months of this year.

#### TRANSPORTATION PROBLEMS

Coastwise and internal transportation continued to be the outstanding problem affecting trade—sufficiently severe to give rise to an order by the Coordinator of Economic Mobilization for the establishment of railway priorities. Priorities were established for the Federal District, and for the States of Rio de Janeiro, Sao Paulo, Minas Gerais, and Espirito Santo, served by the Central of Brazil, Leopoldina, and railways in the State of Sao Paulo. Preference is to be given to essential commodities needed at Rio de Janeiro and Sao Paulo, products of direct or indirect interest to the war effort, and commodities needed by the railways themselves.

A further effort to alleviate the transportation of essential goods was the prohibition of motorcycle operation after September 1, 1943.

#### PRICE FIXING

Because of the impracticability of attempting to control prices without adequate enforcement machinery, the price-control section of the Coordinator's office was abolished. The ruling that price ceilings cannot exceed those in existence on December 1, 1942, is still effective; but it is planned to curtail inflationary tendencies primarily by the expansion of production and distribution capacities. The Coordinator has already negotiated agreements with some industrial groups for reductions on consumer goods for the poorer classes. The price reductions in the initial agreements affect roughly 10 percent of the production in the industrial group concerned.

The commodities first considered were pharmaceuticals and textiles. Under the arrangement with the pharmaceutical industry, each laboratory will select one or two of its products for a 20 percent price reduction, to be adjusted in such a way that a large range of different commodities will be affected. The margin of profits fixed for wholesale druggists ranges from 10 percent to 15 percent and for retail pharmacies from 15 percent to 25 percent.

*The Cover Picture*

### *Brazilian Manganese*

Our cover picture this week, furnished by the Office of the Coordinator of Inter-American Affairs, shows one of 30 window displays used in connection with the fiesta celebrating Pan American Day in Greenfield, Iowa, April 14, 1941—designed to give the American farmer of the Middle West a deeper insight into the life, culture, and products of our sister republics to the south.

#### COMMODITY CONTROL

The shortage of butter gave rise to a decree of August 3, suspending import duties on this commodity for a period of 6 months. Following the earlier suspension for 6 months of import duties on salt, a recent order requires the registration of firms importing this commodity.

Another order of the National Pine Institute required sawmills, lumber producers, and exporters at Rio de Janeiro to register within 60 days; and, beginning August 1, entries of lumber and logs into Rio de Janeiro were subject to clearance certificates. The new order does not apply to shipments from Sao Paulo, Parana, Santa Catharina, and Rio Grande do Sul, which are already under the control of the Institute.

#### LOANS AND CREDITS

The State of Rio de Janeiro is facilitating a loan of 28,000,000 cruzeiros (about $1,400,000 United States currency) for the construction of four distilleries for the extraction of alcohol from mandioca. This action was in the form of a decree law signed by the Governor of the State of Rio de Janeiro, by which that State underwrote a loan to be made by the Agricultural Credit Department of the Bank of Brazil to the Mandioca Products Executive Commission.

By decree law No. 5738, of August 10, 1943, the Fruit Executive Commission was authorized to contract a credit of 50,000,000 cruzeiros (about $2,500,000) for the defense and organization of citrous-fruit production, one of the industries most seriously affected by the war curtailment of exports.

There has been no change in the satisfactory credit and collection situation that has prevailed in recent months.

#### AGRICULTURE

The coffee market during August was firm, exports during the preceding month having been the highest for any month in 1943. Coffee destroyed during the first half of 1943 totaled 811,841 bags of 132 pounds each. This brings the total coffee destroyed since the inception of the program to 77,616,332 bags.

Cotton prices rose in August, and although exports have been small, considerable quantities have been sold for shipment to England. Domestic consumption is up to the limit of present mill production possibilities, amounting to about 185,000 metric tons of lint cotton per year.

#### CONSTRUCTION ACTIVITY

The total floor space covered by building permits continued at approximately the same level as in July, but construction proceeds at a slow pace. Retarding factors are rationing of reenforcing steel and of cement, together with a general shortage of other materials. The chief complaint of builders is the cost and scarcity of transport facilities.

# British West Indies

## *Economic Conditions*

### Situation in Barbados

General business conditions in Barbados during July were favorable and compared well with the corresponding month last year. Retail establishments were fairly well stocked, and there were no shortages of important essentials, including foodstuffs. Drygoods stores received a large shipment of textiles from Canada and large supplies were on hand.

Remittances from abroad, chiefly from the United States, Trinidad, Curacao, Aruba, and Panama continue to form an important part of the local economy and are reflected in heavy purchases of imported shoes and wearing apparel.

Final figures for the 1943 sugar crop reveal the second largest crop on record, and it is significant that it was achieved with an acreage of cane considerably reduced in order to grow food crops.

The growth of the young cane crop has been retarded somewhat by low rainfall and high winds, and prospects for this crop are not as bright as last year at this time.

# Canada

## *Economic Conditions*

The domestic problems on which attention was centered in August were (1) the growing difficulty in supplying the manpower needs of the armed forces and essential industry; (2) the prospective shortage of coal and fuel wood which hinge on the inadequate labor supply in the mining and lumber industries; and (3) the rise in food prices which came within a fraction of pushing the cost-of-living index up to the point where an additional cost-of-living bonus becomes payable.

Shortages of men and materials in the consumer-goods industries have not yet reached the stage entailing real hardship on the civilian population, but the manpower requirements of the armed forces, and the need to man the war plants, the mines, the forest industries, and the farms are beginning to strain the resources of the nation and provide the motive force for a number of new regulations dealing with the manpower problem.

### Draft Age Extended

Mobilization regulations were issued in August, making married men between the ages of 27 and 30 subject to compulsory military service. Designation of these classes as draft-age groups has two connotations. Married men 27 to 30 years old will be inducted if they are physically fit and are not granted exemption. They may be transferred to jobs with a high labor priority rating if they are not accepted for military service and are employed in nonessential industries.

At the other end of the scale, the August mobilization regulations lower the draft age from 19 to 18. Young men who become 18 this year, however, will not be required to report for medical examination until they reach the age of 18 years and 6 months.

The August mobilization regulations are the latest in a series dating back to the autumn of 1940. At the present time all single men between the ages of 18 and 40 and married men between the ages of 18 and 30 are callable for military service in Canada and in adjacent islands and territories. Thus far their assignment for duty overseas has not been authorized.

### Enlistment of Women in the Armed Services

At the same time that the draft age for men has been extended, a publicity campaign has been launched to get more women to enlist in the armed forces, releasing men for combat duty. Up to the end of June 1943 about 30,000 women were already in uniform—12,500 in the Air Force, 11,500 in the Army, 3,000 in the Navy, and 2,500 in the nursing services of these three branches. To make military service more attractive, basic pay rates of enlisted women have been increased, bringing them more nearly in line with the pay scales of men. Qualifications for women enlisting in the armed forces are that they must be between the ages of 18 and 45, in good health, eighth-grade schooling or better, single, or, if married, without dependent children.

### Soldiers for Farm Duty

Meanwhile to relieve the farm labor shortage, arrangements have been made for the detail of soldiers from army units stationed in Canada to temporary work on farms. Soldiers detailed to farm duty will continue to draw their regular pay and allowances. In addition they will receive the difference between their regular pay and the wages paid by farmers. This new arrangement is in addition to the "compassionate leave" plan followed in earlier years when soldiers were granted leave to help in the harvesting on their own farms or those of their parents or near relatives.

With the measures which have already been taken to relieve farm labor shortages (draft exemption, "freezing" of farm labor, compulsory labor transfers, etc.) and with the certainty that crops will be smaller this year, it may turn out that the farm-labor difficulty is less acute than in 1942 when record yields were harvested.

### Fifth Compulsory Employment Transfer Order

The fifth compulsory employment transfer order under National Selective Service civilian regulations was issued on August 1 covering an additional list of nonessential occupations. Youths 16 and 17 years old, single men between the ages of 18 and 40, and married men between the ages of 18 and 30 who are

## *Pertinent Comments on World Economy Today*

[Being one of a series of excerpts from books, pamphlets, and speeches]

**International Public Works and Post-War Anti-Depression Policy**

International public works were advocated before 1939 as a means of mitigating the effects of industrial depressions. Since the outbreak of the war, this aspect of the subject has assumed further importance in view of persisting fears that the present war, like wars in the past, may give rise to a brief post-war boom which will be followed by a slump.

Insofar as a post-war depression is likely to be international in character, it is claimed that public action to cope with it must be international in scope. And insofar as national public works are planned in advance in separate countries as one of the methods for dealing with the situation, international coordination of such works would be necessary.

This aspect of the argument for international public works is related to the "pump-priming" and "compensatory" theories which regard public works as one of the methods for alleviating a depression after it has set in, and for speeding recovery by increasing total purchasing power through public expenditures.

In this conception, international public works, no more than national public works, can eliminate depressions which are the result of structural and institutional changes in the economic system such as new technical inventions, changes in population growth, shifts in consumers' demand, geographic spread of industrialism, etc. Their function is to reduce the amplitude and severity of cyclical fluctuations by enabling individual countries to carry out programs of economic expansion by budgetary and credit policies without fear that such action will subject them to undue pressure on their balance of payments.

The specific importance of international public works in case of a post-war slump would thus be that they would provide a means of international economic cooperation. They would enable an individual country to avoid measures which would promote its activity at the expense of the rest of the world and to follow policies whose stimulating effect on economic activity would be transmitted, at least in part, to other countries—thus making possible *a concerted movement toward world recovery.*

*(From "International Economic Development: Public Works and Other Problems," by Lewis L. Lorwin, Technical Paper No. 7 published by the National Resources Planning Board, Government Printing Office, Washington, D. C.)*

## Significant Trends in Netherlands Business Under Nazi Rule

The Bataafsche Petroleum Co. has been compelled to postpone interest payments on its 3½ and 4 percent debentures, valued at approximately $72,000,000, according to a recent broadcast over the Nazi-controlled Hilversum (Holland) radio. Although much of the company's income was derived from its oversea oil interests, which ceased with the Japanese occupation of the Netherlands Indies, it has so far been able to maintain interest payments from funds in Holland and income from German and other European subsidiaries.

There has been an upsurge of clandestine trading in the Netherlands stock market since Mussolini's downfall, which provided a tremendous stimulus in the demand for stocks and shares, underground sources report. The Amsterdam Stock Exchange officially was unable to respond to the news of the Fascist leader's ouster. Some time ago the Germans imposed maximum prices on shares of all leading stocks, and since then the market has been stagnant. In the past 8 months only 12 shares of the Amsterdam Trading Co. and 50 shares of Royal Dutch Petroleum have been sold through the Exchange.

Unofficial trading, however, has continued, and the impetus provided by the Italian Fascist débacle sent prices soaring. Quotations of Royal Dutch in the black market rocketed to nearly twice the official maximum price of 360 guilders ($195) per share. Other leading securities rose proportionally.

The Netherlands Wire & Cable Manufacturing Co. (Hollandsche Draad en Kabelfabriek) made a net profit of 593,243 guilders in 1942, compared with 844,690 in 1941, and declared a dividend of 4 percent compared with 6 percent in 1941, the Amsterdam daily De Telegraaf of June 16 stated. The Stork Co., manufacturers of heavy machinery, locomotives, and marine engines, located at Hengelo, announced a 4-percent dividend on all shares.

engaged in these nonessential occupations and who have not been accepted for military service were required to report to National Selective Service by August 9 for possible transfer to jobs with a higher labor priority. Employers are prohibited from continuing to employ them except under special permit.

In the latter part of August the Minister of Labour announced that regulations will soon be issued extending the compulsory employment transfer orders, past and future, to include all males between the ages of 16 and 40 regardless of their marital status. The net effect of this extension is to make liable to compulsory transfer married men between the ages of 31 and 40 who are engaged in the designated nonessential occupations. In channeling married men to more essential industries, due consideration will be given to hardship cases. For the present at least, men with family responsibilities will not be required to accept transfers involving a change of residence although they will be available for transfer from one industry to another in the area where they reside. The Minister of Labour also announced that the labor transfer orders will be progressively extended to cover additional nonessential occupations.

This broadening of the regulations will make more men available for transfer to other jobs and should enable the Government to channel larger numbers of male workers into essential employment.

### Reorganization of National Selective Service

The series of military-labor manpower orders is imposing a formidable volume of work on National Selective Service and is responsible for plans to expand and reorganize that agency. Administration will be decentralized as far as possible through the appointment of five regional directors and five regional selective service advisory boards to effect close coordination in each region in meeting the manpower requirements of the armed forces, war industries, and essential civilian industries. At National Selective Service headquarters in Ottawa the administrative staff is being expanded with the appointment of associate directors for military mobilization, war industries, essential civilian industries, and women employment, the latter a recognition of the increasingly important part women will be called upon to play in the war effort. Special units will be created to meet the manpower needs of the primary industries—coal and base metal mining, lumbering, logging, agriculture, and fishing. It is in these essential industries where labor shortages have been particularly evident.

### Further Steps to Forestall Prospective Shortages of Coal

Coal production in June was 3 percent lower than in 1942, but this rate of decline is considerably less than in earlier months of the year. Sufficient time has not yet elapsed to measure the effect of recent Government moves to increase coal production under which miners were deferred from military service and prohibited from enlisting or changing their jobs without special permission of National Selective Service.

At present the Government is considering an adjustment in the method of collecting the personal income tax. The objective of these tentative plans is to overcome what is considered a misconception on the part of the miners regarding the percentage of their overtime pay that goes to the Federal treasury. In combination with this administrative adjustment, it is likely that some type of incentive wage scheme will be introduced to stimulate production.

Meanwhile, emphasis is being placed on stretching coal supplies by conservation methods. A conservation division has been set up in the Coal Controller's office to encourage industrial plants to husband their supplies and to inform the public on methods by which householders may save fuel. These include reduction of temperatures to a recommended 68 degrees, care of furnaces and pipes, use of storm windows, weatherstripping and the types of insulation that are available.

### Rise in Employment Leveling Off

Recent reports of the Dominion Bureau of Statistics on employment point up the current industrial trend. In May there was a decline in employment, when as a general rule more workers are hired. In June there was a slight advance but the expansion was less than is usually recorded at this time of year. From the beginning of 1943 up until June employment declined by 1.4 percent when on the long-term average there has been an increase of 7 percent in the first half of the year.

The Dominion Bureau of Statistics suggests that this slowing down in industrial activity is the result of the transfer of men from industry to the armed forces, difficulty of obtaining replacements, discontinuance of production of some types of war matérial and changeover to new types resulting in temporary unemployment, and the shortage of materials and labor for civilian goods and services.

Steel production in June fell slightly below last year, and it was also lower than in May. Part of this decline is traceable to the inadequate supply of common labor in the steel mills and the rapid rate of turn-over among new employees.

Likewise, in the cotton textile industry monthly output this year has been running steadily behind 1942. Here again the main difficulty has been the inadequate labor supply and the lower production efficiency of new workers.

### Cost-of-Living Rise

The Dominion Bureau of Statistics cost-of-living index rose from 118.5 on June 1 to 118.8 on July 1, largely the result of increases in food prices. At the 118.8 level the index was 0.9 points above July 1942, when the previous upward adjustment of the cost-of-living bonus was made. If the index had risen one full point or more over the July 1, 1942, level, an additional cost-of-living bonus would have become payable to wage earners in a wide range of industries. Naturally the advance in the cost-of-living index is causing grave concern to the Wartime Prices and Trade Board because the payment of an additional bonus would result in further pressure on the price-ceiling structure.

In August the Board placed ceilings on the prices of fresh peaches, pears, and plums. With the exception of oranges, bananas, potatoes, and onions, this is the only instance where price ceilings have been placed on fresh fruits and vegeta-

bles, the high price of which has been the cause of much recent consumer complaint. Ceiling prices set for fresh peaches, pears, and plums are considerably higher than last year when supplies were much more abundant.

Coupled with the price ceiling on these highly perishable fruits the Board announced a subsidy arrangement to enable canners to pack a portion of the crop. Under this plan the cost of these fruits will be approximately the same as in 1942 with the subsidy providing a return to growers in line with the fresh-fruit ceilings.

The high price of domestic fruits is partly responsible for the very large increase in importation of oranges on which the Board pays price subsidies.

### Strike in Montreal Aircraft Plants Broken

Payment of a retroactive cost-of-living bonus was the issue in a strike which halted production for 10 days in August in three Montreal aircraft plants. The 20,000 workers involved made this the largest of wartime strikes. The work stoppage was terminated when the Minister of Labor and Chairman of the National War Labor Board agreed that the Board would reconsider the workers' application for the retroactive payment of the cost-of-living bonus.

### Agricultural Yields Will Be Lower This Year

Crop prospects are generally much below last year's high level, but the production of livestock and livestock products is considerably increased. Subsidized feed shipments to eastern Canada are being speeded up. Prices of farm products are higher than last year, as a result of higher export prices, upward adjustment of some price ceilings, price subsidies for some products and the unsatisfied demands for ceiling-exempt fruits and vegetables.

The prairie wheat crop may be found to be only about 275,000,000 bushels, 51 percent less than last year, as a result of the 19 percent decrease in acreage, and a 40 percent decrease in yield. Western Canada's coarse-grain crops will be less than those of last year, despite the further expansion of acreage. Eastern Canada's grain production will also be much less than in 1942.

Storage space in western Canada is more seriously deficient than last year, even though the new grain crops total one-third less. For the first time, huge quantities of wheat, oats, and barley—342,000,000 bushels, about 10 times the usual farm carry-over—remain undelivered on prairie farms. This leaves only about 518,000,000 bushels of *farm* storage space available for new grain, which will total 50 to 75 percent more than that figure. Initial delivery quotas of 3 bushels per acre for wheat and rye and 5 bushels for oats and barley theoretically permit about 150,000,000 bushels of old or new grain to be delivered from farms now, but there are only 25,000,000 to 50,000,000 bushels of country elevator space available. Country elevators are still almost full of old grain, and serious difficulties are being encountered in moving such grain into lakehead and eastern elevators where unused space is available. Cars for moving grain eastward and labor for unloading cars at lakehead are of paramount importance.

The Government is considering a proposal to make cash advances to grain growers against "deliverable" quantities for which space is unavailable so that the growers can meet their financial obligations.

### Hog and Cattle Marketings Higher; Butter Production Up

The midsummer drop in hog marketings was less than usual. Supplies of record proportions will be marketed this fall, but there is little reason to expect further expansion of hog numbers for marketing next year.

Accentuated by drought conditions in the short-grass plains area, cattle marketings are increasing. Cattle prices, roughly determined by beef price ceilings, are relatively much higher than hog prices.

Last year's shift from butter to cheese production was reversed this year. Reasonably adequate reserves of butter are being accumulated for use next winter, but it will not be so easy this year to ship 150,000,000 pounds of cheese to Britain.

## Closer Hemisphere Cooperation Seen in Price Control

Closer inter-American cooperation in price control is evolving from the hemisphere's battle against rising living costs—this is the report brought back to Washington by Seymour E. Harris, Director of Export and Import Price Control, United States Office of Price Administration, after a trip to South America.

Mr. Harris reported growing interest in South America in price-control measures and a readiness in the countries he visited to join hands in a cooperatve effort to protect consumers against excessive price raises.

This cooperative spirit, he said, particularly holds prospect of more effective action against speculative boosting of prices of scarce goods imported from the United States. Mr. Harris pointed out that the United States has been doing everything possible to extend the benefits of its home price controls to consumers in the other Americas.

This is done mainly by applying price ceilings to goods moving into export channels, with allowance for the cost of doing export business, on the same basis as these ceilings apply to goods sold to United States consumers.

To make this price control more effective on a hemispheric basis, Mr. Harris made a number of recommendations to price-control authorities in the countries he visited. His major recommendations included:

1. Elimination of new and additional middlemen who have entered the distribution of imported goods, apparently to take advantage of opportunities for profiting by wartime scarcities.
2. Control of profit margins charged by importers and distributors of imported goods.
3. Control of the movement of goods from customs warehouses to prevent goods from getting into the hands of speculators.

"I found the countries I visited much interested in these proposals and ready to go along in adopting them wherever possible in recognition of the need for inter-American cooperation in price control," Mr. Harris said.

"In some of the other American republics, living costs have been advancing faster than in the United States. Pressure for higher prices in Latin America generally has been intensified by the shipping shortage, by the difficulty of importing many types of goods, and by dollar exchange derived from heavy United States purchases of strategic materials. The inflow of dollars is inflationary because the dollars are converted into domestic currency and therefore there is more money available to buy goods.

"Speculation for higher prices, with sellers charging all that the traffic will bear, has resulted in a disproportionate rise in prices of scarce imported goods, especially manufactured goods imported from the United States.

"Generally, in view of the United States control over prices of goods moving into export channels, prices charged for these goods in South America should not be more than 20 to 50 percent higher than the cost to consumers in the United States. But, in some places, prices for these goods have been run up 200 percent or more.

"In some places, goods which formerly moved through only one or two hands en route to the final consumer have in the past year been moving through *three or four* hands. This has resulted in additional layers of distribution expense and profits, reflected in the higher prices charged to the final purchaser.

"Clearly one of the most effective means of combating this cycle of price raising is to keep additional middlemen from moving into the distribution and to elminate new ones who have come in during the war.

"Throughout Latin America extensive price controls have been adopted to meet varying needs of the individual countries. The Americas have much to gain by studying these controls and profiting by the lessons of neighboring countries.

"The United States can find worth-while lessons in the experience of the other Americas, with their different price-control systems, just as these countries have found it advantageous to observe the experience of United States price control."

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A gratifying increase in egg production is noted this year. Little difficulty is anticipated in filling Britain's large contract for dried eggs.

#### Apples Best of Fruit Crops

Fruit crops are considerably less than last year, excepting apples in eastern Canada. Smaller quantities will be canned and dried, possibly excepting dehydrated apples. Canadian fresh fruits are scarce, and high in price.

Production of vegetables, especially of peas for canning, is generally less than last year, but the potato crop probably will be large enough to prevent the recurrence of last spring's potato "famines" on Canadian markets. The abnormally large importations of potatoes from the United States were effectively stopped a month ago by restricting import subsidy payments.

Dry-bean production will be reduced by a wide margin unless the disputed acreage reduction estimates are found to have been exaggerated. Canadian consumption is rising rapidly, in part to replace meat, and some officials believe that Canadian requirements will be even 25 percent more than before the canning of dry beans was stopped. If so, there will be no exportable surplus (Vice Consul Katherine E. O'Connor, Ottawa, August 20, 1943).

### *Wartime Commodity Controls*

*Tea and Coffee Ration Increased.*—The tea and coffee ration in Canada will be increased by one-third, effective September 2, according to an announcement made by the Wartime Prices and Trade Board. The present ration is 1 ounce of tea or 4 ounces of coffee per person per week, and an increase by one-third will lift the weekly allowance to 1⅓ ounces of tea or 5⅓ ounces of coffee. The increase becomes effective with the new ration-book use of tea and coffee coupons in which there will be no change in value. The coupons will become valid every 3 weeks instead of every 4 weeks.

The Board also announced that if improved shipping conditions continue to enlarge the supply, another increase in the ration may be made before the end of the year.

## Chile

### *Transport and Communication*

*Government - Expropriated Railway Now in Operation.*—The Los Lagos-Rinihue Railway, which was recently expropriated by the Chilean Government, has been placed in operation as part of the Ferrocariles del Estado system.

From Los Lagos, which is halfway between Valdivia and La Union, the railway runs east to Rinihue, a small town on the western end of Lake Rinihue. Later the line will be extended to the Argentine border to join a trans-Andine system.

## Costa Rica

### *Transport and Communication*

*Rates Increased by Railway.*—The Ferrocarril Eléctrico al Pacífico which operates between Puntarenas, on the Pacific Coast, to San Jose, the capital of Costa Rica, was authorized to increase its rates by 20 percent, effective August 20, 1943. This increase affects all services—local freight, importation, exportation, parcels, and national launches.

The change was authorized because operation costs have increased materially.

## Cuba

### *Economic Conditions*

Economic conditions in Cuba improved during July, and a better sentiment prevailed in business circles. This was attributed manly to the initiation in Washington, D. C., of negotiations for the purchase of the 1944 sugar crop, and to the general belief that the next crop will be larger than that of 1943 and that the price will be maintained at a satisfactory level.

All economic indexes, such as Government revenues and bank clearings and collections, continued to advance during July, and retail sales were also above those of the preceding month and of the corresponding 1942 period. Building construction in the Habana area increased, and the declared value of construction jobs begun or under construction in June was almost double that of each of the 2 preceding months.

The supply situation was generally satisfactory, although subnormal stocks of rice and beans resulted in strong pressure on the ceiling prices of these two basic foodstuffs. On the other hand, wheat flour and lard stocks were abnormally high, and the beef-supply situation, following the heavy rains of the past several months, showed a decided improvement.

#### Price Fixing

Ceiling prices were established by the ORPA (Office of Price Regulation and Supply) during July on chickpeas, vermicelli, and peanut oil. A Government decree likewise established maximum rates for water, light, gas, and power services and for land, sea, and air freight and passenger transportation. The rates were fixed at those in effect on the date of the decree's promulgation, and provision was made for possible future increases when higher charges can be justified and are equitable.

Retail and wholesale prices of cigars and soap were raised in July, following wage increases to cigar makers and workers in soap factories. Wages paid for grading and packing tobacco in the Remedios district were further increased, following protests by the National Federation of Tobacco Workers against the alleged inadequacy of the increases granted to them in June.

#### ORPA Resolutions

The ORPA during July restricted exports of alcohol and prohibited the exportation of charcoal and meat. With respect to meat, the ORPA's resolution extended the already-existing export embargo on beef cattle and beef to live cattle, hogs, and sheep, as well as to all kinds of meat and meat products. The resolution, however, permits the exportation of meat and meat products under Government agreement with other Allied Nations, as well as sales to naval and military forces of the Allied Nations stationed in Cuba.

A clearing agreement between Cuba and Spain was signed in Habana at the Ministry of State on July 15 and will become effective following its ratification by the Senate.

#### Finance

Cuban revenue collections during July showed a marked improvement, compared with the immediately preceding months and were roughly 24 percent in excess of those of July 1942.

## Old University at Caracas Will Be Modernized

Ancient Central University at Caracas, Venezuela, which for 300 years has been operating on the European plan, will be modernized and "Americanized" soon, it has been announced.

The modernization, which includes the construction of a University City as well as revision of the curriculum and teaching methods, will be on the United States style with the construction of baseball and football fields, tennis courts, swimming pool, dormitories, and students' clubs. The project is being planned by Venezuelan officials with the assistance of Dr. Frank McVey, who until 1940 had been president of the University of Kentucky for 23 years. Before that he was president of the University of North Dakota for 8 years.

The University City will be constructed on a hacienda in the outskirts of Caracas. The 2,800 students of the schools of engineering, philosophy, law, and medicine, who hitherto have been crowded into classrooms, halls, vestibules, and patios, will have an area of 800,000 square meters for their university work. Special buildings will hold these schools, and there will also be buildings for chemistry, physics, mining, geology, dentistry, administration, and professors' residences.

Although the cost of the project has not yet been determined, the Venezuelan Government has already appropriated $3,300,000 for a 1,000-bed hospital, and medical, nursing, and laboratory technicians' school, which will be built on the campus. The schools will continue to be free, as will the hospital. the clinics, and the emergency wards.

### *Tariffs and Trade Controls*

*Lumber: Exportation Restricted.*—Lumber has been added to the list of products the exportation of which is prohibited, except under a prior export permit, according to a Cuban decree of August 6, 1943, of the Ministry of Commerce, effective upon publication in the Official Gazette of August 13, 1943. The reason for restriction, as stated in the decree, is that the United States Government has frozen lumber exports and locally produced lumber is needed in Cuba.

*Soaps, Peanuts, and Charcoal: Exportation Regulated.*—The exportation from Cuba of soaps, peanuts, and charcoal has been limited, and these items may be shipped only under license, according to a decree of August 2, 1943, published in the Official Gazette on August 4, 1943.

Reason for the listing of these items is the shortage of tallow and the increased use of peanut oil and charcoal.

[The exportation of charcoal was previously prohibited. See FOREIGN COMMERCE WEEKLY, August 7, 1943.]

## India Helps Win the War

India is justly proud of its army of over 1,500,000 men, the largest volunteer army in the world. This army has already won renown through the exploits of its famous Fourth Division in North Africa, whose record of engagements and victories, according to Field Marshal Wavell, is unsurpassed by any other division of the Allied fighting forces in this war. With a loss of 100 percent of its strength, which was completely replaced by reinforcements, it captured more than 100,000 Germans and Italians, apart from many casualties inflicted. India's casualties are already one-fifth of the total for the British Empire.

The story of its fighting men is but a part of the picture of India's contribution to the war. A great part of the supplies of the North African army were manufactured and sent from India. Before American aid became available, India was supplying all locomotives, trucks, rolling stock, wagons, and ties for the vital line from Mersa Matruh to Tobruk. Self-propelling assault and land craft; the all-important dry-cell batteries for communication between planes and ground; camouflage, so vital to safety in desert warfare; tents; a certain type of mountain gun; 50,000 stretchers; one million blankets; 250,000 mosquito nets; 160 tons of antimosquito cream; 336,000 ounces of castor oil; 1,500 different items of medical stores; and 1,250,000 gauze bandages—all these and many another item of supply came in a stream from India and helped save the day and win the victory for the Allies in North Africa.

The story of Japan's defeat is yet to be written, but, in its strategic location of neighbor to captured Burma, India is certain to continue to play an important part.

# Ecuador

### *Tariffs and Trade Controls*

*Exemption of "Platform Tax" for In-Transit Merchandise.*—Merchandise received from the south in transit for Buenaventura, Colombia, may remain in customs in Guayaquil for 30 days without being subject to the "Platform Tax," according to an Ecuadoran executive decree, dated June 21, 1943.

This measure is an exception to the decree of March 15, 1943, under which goods in customs warehouses are subject to the "Platform Tax" within 8 days after arrival.

# Eire

### *Transport and Communication*

*Private Shipping Company Formed.*—A private shipping company was formed recently in Dublin, Eire, with a capital of £20,000, to operate as shipowners, brokers, and agents. The firm reportedly is attempting to acquire ships to trade in general cargo between the southern and western ports of Eire and Lisbon and with United States and Canadian ports.

# France

### *Tariffs and Trade Controls*

*Wooden Packing Cases: Suspension of Import Duties Continued Temporarily.*—The suspension of French import duties on wooden packing cases has been continued until September 30, 1943, by an order of March 17, published in the Journal Officiel of April 1, 1943.

[These duties had been suspended by an order of March 11, 1942, as announced in FOREIGN COMMERCE WEEKLY of November 21, 1942. This suspension was later continued until March 31, 1943.]

*Export Restrictions Established on Additional Products and Removed on Certain Earths.*—The requirement for export licenses in France has been extended to a number of additional products and removed on ochres and cologne and similar earths, by an order of March 19, 1943, published in the Journal Officiel of March 27.

The additional products now subject to export licenses include composition grindstones, arecoline and its salts, cinchonidine, cinchonine, worked spectacle glass, watch cases, finished watch movements, clocks and watches, compressors without piston, pumps, dynamo-electric machines and industrial electric transformers weighing less than 10 kilograms, all machine tools for woodworking, weighing instruments (except automatic), transmission pulleys, certain copper wire and reeds for textile machines, old printing type, perforated copper or brass sheets and trellis work, certain copper tools, tinsmith's wares of copper and tin plate, arms of war, measuring tapes, and automatic toys and distribution apparatus.

[See FOREIGN COMMERCE WEEKLY of February 6, 1943, for announcement of a revised and codified list of goods subject to export restriction in France.]

*Dyeing and Bleaching Establishments: Special Taxes Fixed.*—Special taxes, to cover the administrative expenses of the Organization Committee of Dye-Works and Bleach-Works, have been fixed in France by an order of February 4, 1943, published in the Journal Officiel of April 3.

These taxes consist of an annual tax of 50 francs per enterprise; and a sales tax of 0.30 percent of annual turn-over of enterprises when this reaches 24,000 francs.

*Wines: Inter-Trade Committee Created.*—An Inter-Trade Committee of Natural Sweet Wines and Liqueur Wines has been created in France by law No. 200 of April 2, 1943, published in the Journal Officiel of April 3.

The following trades are members of this committee: Vineyard owners; wine-making cooperatives; dealers, brokers, and commission-agents in natural sweet wines; and cooperative distilleries.

*Preparations of Medicinal Plants: Use of Word "Tea" Prohibited.*—All preparations of medicinal plants, bearing the word "Tea" at any place whatsoever on their package, wrapping, or label, must be withdrawn from sale in France within a period of 4 months from March 26, 1943, by decree No. 259 of February 12, 1943, published in the Journal Officiel of March 26.

# Guatemala

### *Tariffs and Trade Controls*

*Coffee: Export Duty Fixed.*—The Guatemalan export duty on coffee has been fixed at 1.50 quetzales per quintal (101.43 pounds), irrespective of price, by an executive decree published August 2, 1943, and effective the day following.

Previously, the rate of export duty was 1.50 quetzales per quintal, when the price did not exceed 15 quetzales per quintal; or 2 quetzales, when the price was more than 15 quetzales per quintal.

*Exports of Cattle Hides Restricted and Domestic Price-Control Established.*—The exportation of cattle hides from Guatemala has been restricted for the duration of the war to 40 percent of domestic production, under provisions of an executive resolution, published on July 24, 1943, and effective the day following. While hides for export were not made subject to price control, a slaughterer's ceiling price of 0.10 quetzal per pound for fresh hides was placed on the remaining 60 percent reserved for domestic consumption.

Under a previous resolution, effective

## Iran's Transport System Streamlined

As the tempo of the United Nations' war machine speeds up, the transport system of Iran assumes tremendous importance. Offering the only available southern gateway to the Soviet Union, the pre-war facilities of Iran were totally inadequate to carry even a fraction of the war supplies that were destinated to play such a strategic role in this global war.

Until the completion of the Trans-Iranian Railway in 1938, after it had been 10 years in construction, the country was almost entirely without a railway, with the exception of two unconnected short lines, one in the northeast and another in the extreme northwest. Most traffic was by truck, which, incidentally, still is the major means of transport. The Trans-Iranian line linked the northern port of Bandar Shah (on the Caspian Sea) with the southern port of Bandar Shahpur (on the Persian Gulf). The capacity of this major achievement, together with the slightly developed port facilities, was adequate for normal peacetime operations but was far below the needs imposed by Iran's new wartime role.

With emergency developments on the rail and road system, as well as port facilities, the volume of war supplies that has been carried across Iran to the Soviet Union has exceeded the most optimistic estimates.

Construction work now in progress to bridge the gap in the northwest between the Iranian and Soviet railway systems should further facilitate the flow of war equipment.

When the present streamlined transport system of Iran has completed its major wartime role, it should provide considerable impetus to the economic progress of the country, which has heretofore been greatly handicapped by inadequate transportation facilities.

February 25, 1943, exports of cattle hides were made subject to prior export licenses, issued by the Seccion de Coordinacion Economica Financiera of Guatemala.

*Honduran Silver Exempted From Differential Customs Surcharges.*—Silver originating in Honduras has been exempted, for the duration of the war, from the payment of the customs surcharge of 100 percent of duty and other customs charges, by a Guatemalan Customs circular, dated August 9, 1943. This 100-percent customs surcharge has been assessed on imports from countries whose exports to Guatemala doubled in volume during the preceding calendar year.

*Incense Imported from Ceylon Exempted from Differential Customs Surcharges.*—Incense originating in Ceylon has been exempted, for the duration of the war, from the payment of the customs surcharge of 100 percent of duty and other custom charges, by a Guatemalan customs circular, dated July 26, 1943. This 100 percent customs surcharge has been assessed on imports from countries whose merchandise balance in the preceding year was unfavorable to Guatemala by more than 75 percent.

# India

## *Wartime Commodity Controls*

*Sulfate of Alumina: Distribution Controlled.*—Under an order published April 19, 1943, the distribution of sulfate of alumina in India has been placed under Government control. Only registered dealers may sell or otherwise dispose of it, and sales or transfers are subject to permit. The permit may in the discretion of the licensing authority specify the quantity of each grade to be purchased, otherwise acquired, or used. Persons carrying on any kind of business in, or who are consumers of, sulfate of alumina are required to submit monthly reports of the stocks in their possession.

The sale, disposal, purchase, acquisition, or use of sulfate of alumina in quantity not exceeding 1 seer at a time (about 2.057 pounds) and not exceeding 5 seers per month, by any person other than a manufacturer or importer, is exempt from the provisions of the control order.

*Bleaching Powder and Chlorine: Distribution Controlled.*—Under the Bleaching Powder and Chlorine Control Order of 1943, recently published by the Indian Government, importers and manufacturers may sell or otherwise transfer bleaching powder or chlorine in India only to holders of permits issued by competent Government authorities. They are also required to submit to the licensing authority a monthly statement of stocks produced, imported, consumed, or disposed of during the preceding month.

No permits will be issued for bleaching powder or chlorine to be used for civil purposes unless all requirements of defense orders and public health regulations have been met.

The Central Government is authorized to fix the price or prices at which manufacturers or importers shall supply bleaching powder or chlorine to consumers and the licensing authority may specify on permits issued the price so fixed, and the manufacturer may not charge a higher price during the period specified in the permit.

# Mexico

## *Economic Conditions*

Business continued active in Mexico during July, with strong retail demand for most kinds of goods and brisk sales of both staples and luxury items. Wholesale trade was less satisfactory, principally because of general scarcities and transportation difficulties. Districts along the United States border reported exceptionally good business, Chihuahua reporting the highest trade volume of the past 10 years. Only Mazatlan and Tampico reported a falling off in trade. The decline of approximately 15 percent in the Tampico district was attributed principally to seasonal slackness and to rising costs of living.

The effects of the recent price-control measures were noted in the Nuevo Laredo district, where lower prices prevailed for lard, cooking oils, corn and beans, whereas Monterrey reported many imported articles and such items as corn, rice, kerosene, and cloth in short supply. Some relief was noted in Chihuahua and other border towns with respect to imports of builders' hardware, agricultural implements, and ranch materials, but delays were still encountered in obtaining repair parts for trucks and farm machinery. Some concern was expressed from other regions that lack of parts, rubber tires, and other accessories might curtail harvesting and the movement of crops to markets.

### Foreign Trade

The trend of Mexico's foreign trade in April and May was toward a closer balance between exports and imports. Factors affecting this trend include the increasing value of imports and the practical elimination of shipments of silver and gold during the early months of the year. Normally, gold and silver present substantial totals on the export side of the balance, but the use of silver for coinage is the principal reason for its failure to appear in important volume among exports.

The export picture was also affected by the withholding of export licenses for many articles until the Government's investigations indicated that shipments abroad of the commodities in question would not prejudice the domestic supply. Products for which difficulties were encountered in obtaining licenses included sugar, candy, and other sugar products, gum, shoes, saddles and other leather products, vegetable oils, and most food products. In general, exports of strategic materials, fibers, textiles, and other typical products were at about the same levels as in previous months. Large export shipments of honey were made in July, and prices were rising in response to the increased demand. Turpentine exports to the United States were increasing, and coffee shipments again began to move to this country. About 45 percent of Mexico's coffee quota had been shipped by June 30.

### Industry

The outstanding industrial development during the month was the completion and inauguration on July 8 of a new blast furnace at Monterrey, which adds 700 tons daily to the capacity of the foundry, making a total potential daily output of 1,200 tons of pig iron. At Guadalajara, the recently completed cement plant operated at full capacity, providing adequate supplies for that region. While huarache production for export was at a low ebb, a better quality

was being shipped than during the earlier months of the year. Tequila, a relatively new export product, was being produced in considerable volume in Jalisco. Silver jewelry, silver services, and various other silver articles were manufactured in increasing quantities during July, principally for export.

Other and basic industries such as flour milling, glass, furniture and steel production, lumbering, textile weaving, tanning, shoe making, and cordage production, have been operating at capacity, with profits reported to be excellent. Sugar grinding was practically over for the season by July 15. Flour mills have been able to maintain their production from ample supplies of imported wheat. Most of the mills were turning out white flour exclusively, notwithstanding the requirements for an admixture of whole-wheat flour. No local market exists for the whole-wheat product, and millers were postponing the grinding of whole wheat in hopes of the ultimate withdrawal of the requirements.

Cotton cloth and garment manufacture during July was slightly below the previous level, because of inability to obtain prompt deliveries of raw materials, particularly cotton yarn, and because of buyers' resistance to increased prices. Soap-making establishments were working at capacity, as were the vegetable-oil mills from which they buy their raw materials. A factory making galvanized wares at Guaymas started operating again in July, after being closed since February for lack of materials.

### Mining and Petroleum

Mining operations held steady during July, with export shipments of strategic minerals well above normal for the rainy season. Agua Prieta reported the mining of copper, silver, and gold at about the same levels as heretofore, with tungsten production on the upgrade. Other areas noted increased manganese and graphite shipments, and smelting operations at a peak. The development of a new manganese lode was progressing rapidly. Only high-grade ore is now being shipped, but a concentrate mill to work the lower-grade mineral is planned. Another favorable development was the ability of one of the large copper-mining companies to obtain supplies of domestic coal in June and July to operate its smelters, which correspondingly relieved the program of supply from former United States sources. The open-hearth furnace of La Consolidada Steel Co. at Piedras Negras operated daily during the month. Labor conditions in mines and at refineries were undisturbed by strikes or slow-downs.

Crude-petroleum production in the Coatzacoalcos region during June was again lower than for the preceding month, or for June 1942. On the other hand, production at the Poza Rica, Naranjos, and Panuco fields was substantially higher in the period from June 20 to July 19 than in the preceding 30 days. Production of light oil in April and May was slightly below the March total, but well above figures for January and February. The heavy-oil yield was also lower during these months. Exports in May reached the highest level of the year, but fell to a new monthly low in June.

### Tourism

There was no slackening of the tourist business during July, and practically all hotels in Mexico City were filled to capacity. Along the border, businesses catering to travelers and sightseers were well favored, with record-breaking numbers crossing the border to celebrate the holidays.

### Labor

No serious labor troubles were reported during July, although a number of strikes were averted through the granting of moderate wage increases. Some unrest was reported among oil workers in the Tampico region. During the month the management of the National Railways of Mexico denied an increase in wages to its workers on the grounds that the system was being operated at a loss.

Unemployment was practically nonexistent, but a number of districts reported that farm labor was scarce and skilled workers at a premium. Recruiting of Mexican workers for harvesting and railroad jobs in the United States continued actively, and the local press gave front-page notices to the need for additional workers to gather crops in Texas.

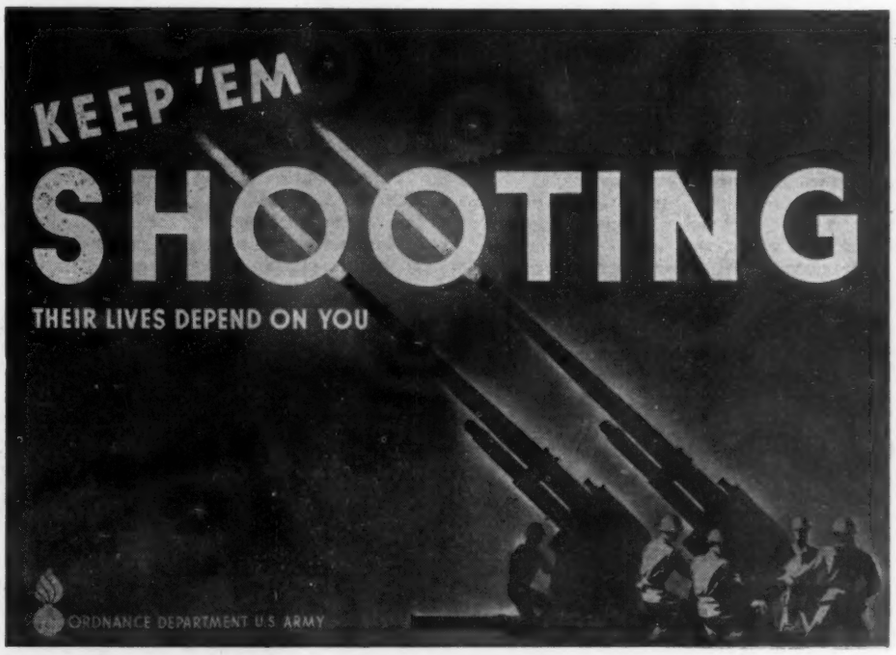
### Agriculture

The drought of several months' duration in northern Mexico was finally broken in the Nogales, Agua Prieta, Ciudad Juarez, and Monterrey areas, and further cattle and crop losses in those regions were not anticipated. No relief from the drought, however, was felt in Reynosa, Matamoros, and Mexicali. Sufficient rainfall was reported in the Guaymas, Torreon, Chihuahua and Nuevo Laredo areas, while irregular but generally satisfactory rainfall was reported in Tampico, San Luis Potosi, Guadalajara, and Coatzacoalcos. Only Durango and Guanajuato reported excessive moisture.

Cattle sales dropped very materially, the summer months generally being considered the slack season. Fortunately, rainfall brought relief to many sections of the northwest, and further sacrifice shipments will probably not be necessary. While the decrease can likely be attributed in part to the off season, shipments have also been affected by the recent quantitative restrictions placed on exports. During the past 3 or 4 years, cattle exports have averaged about 500,000 head annually. During the first 4 months of 1943, however, principally because of exceptionally favorable prices, exports of cattle have been greatly in excess of normal shipments, so that the Government issued a decree prohibiting the exportation of cattle in excess of an annual quota of 500,000 head.

From present indications, Mexico will have a banner cotton crop this year of about 500,000 bales, which is a considerable increase over the previous crop of 454,000 bales. Production in the Nuevo Laredo area is estimated at 20,000 bales, in the Ciudad Juarez area at 25,000 bales, and in the Sinaloa area at 34,000 bales. The crop at Matamoros and Reynosa has been seriously affected by drought, this season's production being estimated at not more than 28,000 bales. Torreon, Mexico's largest single cotton-producing area, as well as Ciudad Juarez, report that insect infestation has not proved excessively destructive, but damage is anticipated in some regions.

A total wheat crop of approximately 300,000 metric tons is predicted for 1942–43, which is fully 40 percent below the previous crop. On the other hand, domestic-consumption estimates have been revised upward to 560,000 metric tons, which will leave the country with a substantial deficit. Reports from Piedras Negras indicate a wheat harvest in that area of about 11,500 metric tons, as compared with 25,500 metric tons in the preceding year. The crop in the Du-



rango district is reported down one-half, while that of Agua Prieta is said to be a complete loss. The crop has been harvested in the Mexicali Valley, and the yield is down 40 percent. The low returns from this crop are expected to discourage additional plantings for the new crop in October, and growers have indicated that they expect to plant other crops which give greater yields and remunerative returns.

It is believed that corn production will probably equal the previous crop of 2,356,000 metric tons, although it is much too early to predict with any degree of accuracy. Planting is continuing in some areas, but most reports indicate the crop is progressing satisfactorily. As exceptions, Monterrey reports about 80 percent of the early crop was lost because of drought; Piedras Negras reports a 50-percent loss; and Guanajuato indicates an acreage reduction as a result of excessive rainfall during the planting season.

Sugar production for 1943 has been revised downward from 480,000 to 412,000 metric tons. Frost in Jalisco reduced production in that State 10,000 metric tons; floods in the San Cristobal area accounted for a reduction of 5,000 tons; Los Mochis in the Mazatlan area felt the effects of a strike which reduced production 13,000 tons; Zacatepec reported a 19,000-ton decrease from cane left in the field; El Monte suffered a 5,000-ton decrease. Sinaloa, Mexico's largest sugar-producing State, claims a production of 68,885 metric tons, which is only slightly below the previous estimate of 70,000 metric tons. The cane was poor in both weight and sugar content, partly as a result of the cyclones of last fall.

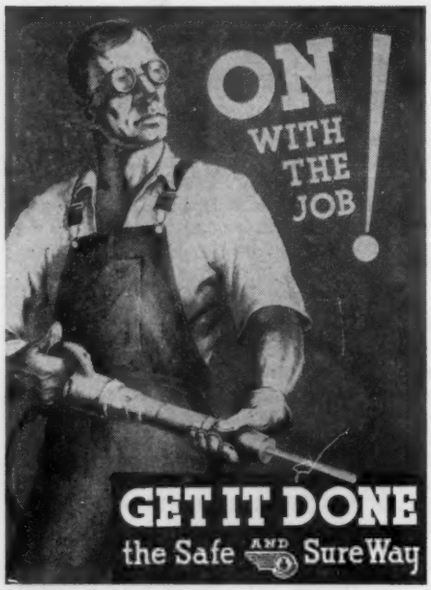
Pineapples have been moving to markets in large volume, losses running much lower than earlier predictions. Growers in the region of Loma Bonita had previously expected a loss of about 50 percent but actual losses were running less than 5 percent. Growers in the Isla section, the second-ranking area, have been less fortunate, however, with losses amounting to about 35 percent. Banana shipments have continued heavy, production of Roatan bananas in the State of Tabasco during July being estimated at 240,000 stems. Chiapas, however, continued as the leading producer, with from 90 to 100 carloads moving to markets weekly. Mangoes and limes were plentiful.

Much interest was being shown in the planting of flax seed, castor beans, soybeans, and sunflower seed. An increase of 50 percent in linseed production was expected in Jalisco, and Mexicali reported that 950 acres of flax in that area were yielding an average of 15 bushels per acre, with the harvest about 70 percent completed.

# Netherlands West Indies

## *Transport and Communication*

*Transport Difficulties in Aruba.*—Although gasoline supplies are adequate in Aruba, an acute shortage of tires has




U. S. Dept. of Labor

created transportation difficulties. There are no railroads or bus lines in operation on the island, but the bus line operating between Oranjestadt and San Nicolaas, a distance of only 14 miles, is carrying 75 percent more passengers than in 1942. Privately owned motorcars are no longer in use, and it is anticipated that traffic on busses will increase considerably within the following months.

# New Zealand

## *Transport and Communication*

*Railway Revenues Increase.*—The gross revenue of the New Zealand railways for the year ended March 31, 1943, reached a new high record of £14,128,993, or an increase of £2,190,655 above the 1942 total, reports a British publication.

# Nyasaland

## *Economic Conditions*

Imports during 1942 were valued at £898,500 and exports at £1,409,000, a decrease of 10.4 percent in the former and an increase of 9.4 percent in the latter, as compared with the preceding year.

Cotton manufactures valued at £350,900 accounted for more than 40 percent of total merchandise imports although this item decreased nearly 4 percent from last year. Imports of vehicles and parts, valued at £62,000, again ranked second, but wartime difficulties caused a decline of nearly 46 percent from the 1941 figure of £114,000. Other leading imports were gasoline, £35,000; agricultural machinery, £30,000; other machinery, £28,000. Large increases occurred in the import value (£24,000) of linen, hemp, and jute manufactures; salt (£18,000); and sugar (£24,000).

Exports of tea and tobacco, constituting more than 91 percent of the total, both increased slightly in value compared with 1941: Tea totaled 12,400,000 pounds, valued at £568,000, and tobacco exports amounted to 18,700,000 pounds, valued at £702,000.

Exports of cotton, 4,584,000 pounds, valued at £66,900, were 267 percent above the 1941 value. Exports of corn and corn flour reached 7,806,000 pounds, although in the 4 preceding years such exports were negligible.

# Paraguay

## *Economic Conditions*

The basic commercial condition of Paraguay has remained active and sound. Although no acute shortages have been noted, there has developed a seller's market in some lines which the Government has attempted to ease through the control of sales. In the past, Paraguay did not carry large stocks of sundry merchandise, but was rather in the habit of drawing upon stocks held in Buenos Aires, Argentina, as requirements necessitated. Only in recent months has it been realized that for the present, at least, the Argentine market cannot be counted on as a source of general supplies. In consequence, importers have had to establish direct connections overseas, and although comparative success has attended their efforts, time has elapsed, and the market has suffered accordingly.

During July bank deposits increased, credits were easy and payments prompt. Labor was relatively abundant, the war not yet having touched the economy of most of the people, and no important agitation for wage increases had occurred. Despite heavy rains and generally bad weather late in the period, the Paraguay Central Railway record for the first 6 months of 1943, as compared with the corresponding period of 1942, showed an improvement of 24 percent in the weight of parcels transported; 9 percent in the weight of freight carried; 35 percent in the number of passengers carried; and 10 percent in the number of freight-train kilometers run.

The signature of a trade treaty between Argentina and Uruguay early in July was given considerable publicity in the Paraguayan press, and encouraged the revival of discussion in favor of a similar treaty between Argentina and Paraguay.

The activity of the Paraguayan meat-packing plants is gradually tapering off. This is not necessarily indicative of a smaller kill or of reduced production for the annual period. Prices recently paid to cattle owners are more than double those paid during the 1938 season.

# Peru

## *Tariffs and Trade Controls*

*Cascarilla: Export Duties Revoked.*—The 10 percent export duty on cascarilla (cinchona bark), which originates in the montaña or eastern section of Peru, has been revoked by a Peruvian law dated

July 2, 1943. The former duty was levied on the sale price at the port of embarkation and was enacted May 5, 1938.

# Southern Rhodesia

## *Economic Conditions*

To prevent overstocking in the native reserves and also to conserve the soil and supplies of natural water, regulations recently have been issued authorizing culling officers to restrict the number of "animal units" to the carrying capacity of the land in areas where natives have failed to do so. An "animal unit" consists of one head of large stock, such as cattle or horses, or five head of small stock, such as sheep or goats.

The Chief Native Commissioner may determine the number of animals that a native may keep on a prescribed unit of land. Animals in excess of the prescribed total may be culled periodically to reduce the numbers to the carrying capacity of the land unit. Culling is to be done on a selective basis with a view to eliminating inferior stock. The officers, who are specially qualified in animal husbandry. will work in close cooperation with the native commissioners. The culls after branding, are to be removed or slaughtered by the owner within 3 months. If this is not done, the native commissioner is empowered to sell the animals, the owner receiving the proceeds, less costs of the sale.

No cattle may be introduced where destocking is in progress without permission of the native commissioner.

In the native reserves all stockholders have the right to share in available grazing, but it is said that the land is frequently overcrowded with scrub stock. The new measures are to be applied gradually and only when necessary, but it is reported that the interests of the natives themselves demand stock reductions in certain reserves.

# Turkey

## *Economic Conditions*

Seasonal dullness characterized general business in Turkey during the second quarter of 1943, but industries remained active to the extent possible in view of depleted supplies of several imported raw materials. Progress was maintianed on new transport and industrial projects. Favorable weather steadily improved the crop outlook. Typical of an economy under wartime stress were: Continued high prices, the imposition of new taxes to meet mounting expenditures for national defense, and the further expansion of note circulation. There was also a substantial increase in the gold reserve, with an increase in the percentage of cover for the note circulation.

### Crop Prospects Favorable; Industry Active

Although definite figures are not available, the outlook for crop yields for the current year appears increasingly favorable. The cereal yield is expected to be only slightly below the bumper crop of 1940; the cotton crop will probably exceed by 20 percent the previous year's output of 50,000 tons; estimates of the raisin crop range from 65,000 to 75,000 tons, and of figs from 40,000 to 45,000 tons. A good sugar-beet crop is anticipated, and the tobacco yield is expected to be in excess of last year's crop of 33,000 tons.

Control over the cereal market and prices received further official attention during the period under review. On May 15, the Turkish Government published a decree calling for compulsory sale to the Office of the Products of the Soil at fixed prices of specified percentages of the cereal production of each farmer.

Although another drop occurred in cereal prices, the retail markets did not reflect this decline. No change was made in the daily bread ration, which remains at 300 grams per person. At present the Government permits the export of very few surplus foodstuffs, and these are subject to an export license.

Industrial activity was in general well maintained, with manufactures finding a ready market at high prices. Although the capital-tax levy resulted in some changes of ownership of private establishments, it has not caused any drop in production or change in management. The only causes of a decline in production were shortages of certain imported raw materials, notably rubber.

A number of industrial developments were noted during the quarter. A plant for manufacture of woolen textiles from woolen rags, equipped with machinery imported from Rumania, was opened to production. A new cement plant at Sivas was completed and started operations. A second paper and cellulose plant was inaugurated by the Minister of Economy on June 24. A caustic-soda-chlorine plant is nearing completion and the necessary machinery is expected to be installed within the next few months.

Ordnance Dept., U. S. Army

Expansion of existing facilities for alcohol production is now under consideration.

### Public Works Active; Government Acquires Utilities

Considerable progress was reported on various highway and railroad projects. Construction was active on the Elazig-Van railway line, as well as on the line from Diyarbekir to the Iraq frontier; on the latter the section from Diyarbekir to Batman was opened to traffic toward the end of the quarter.

The Seyhan dam, which will irrigate considerable areas in the Cukurova cotton-growing region, was inaugurated on June 30 by the Minister of Public Works.

The Turkish Government continued its policy of acquiring foreign-owned public utilities in Turkey. Toward the end of the quarter the Izmir Tramway Co. was purchased, and the acquisition of the American-owned match factory, which for a number of years held a monopoly for the manufacture and sale of matches, was also reported.

### Note Circulation Expands; Budget Larger

Notes in circulation again increased, reaching £T731,550,806 (exclusive of £T4,746,208 held by Central Bank) on June 26, 1943, as compared with £T710,479,215 (£T4,497,798) on March 27, 1943, and £T591,461,755 (£T8,496,588) on June 27, 1942. The gain was accompanied by an expansion in the metal reserve, which amounted to £T197,954,805, or 27 percent of actual note circulation, as compared with £T155,539,743, or 21.9, on March 27, and £T137,113,585, or 23.2 percent, on June 27, 1942. Purchases abroad accounted principally for the increase in gold cover.

The ordinary budget for 1943–44 (June 1, 1943, to May 31, 1944) was passed by the Grand National Assembly on May 28, 1943; it was the largest on record and provided for receipts of £T486,720,500 and expenditures of £T486,717,349, a gain of 23 percent over 1942–43. The larger expenditures were expected to be covered by heavy increases in existing taxes and by new tax measures. The latest revenue measure includes a tax on agricultural products. Extraordinary allotments during 1942, principally for defense, reached the sum of £T400,000,000, but estimates for the current year are not available; thus far, approximately £T236,031,238 have been authorized.

### Domestic Trade Dull; Foreign Trade Irregular

Business in general suffered from seasonal dullness. Commercial transactions remained on a cash basis, with little commercial paper outstanding. Some advances were reported for the purpose of meeting payments under the capital-tax levy. Incidentally, the market continued to adjust itself to the effect of this capital tax, with many small retail firms obliged to close.

Turkish foreign-trade figures continue unavailable, making any evaluation of imports or exports difficult. Shipments to the various Axis countries continued, and the basis for further trade with Germany was established by the new Turco-

U. Save America

Buy War Bonds and Stamps

German commercial agreement, providing for an exchange of goods up to £T60,000,000. Actual transactions between Turkey and Rumania, have been confined largely to exchange of Turkish cotton for Rumanian petroleum products. Trade with Hungary on a compensation basis was brisk. A commercial agreement was signed with Finland for exchange of goods on a private-compensation basis. Trade with United States continued to be confined almost entirely to shipments of tobacco, with imports still further reduced and stocks of American merchandise practically nonexistent.

# Union of South Africa

## *Economic Conditions*

The scarcity of consumers' goods from which South Africa suffered for many months has recently been slightly alleviated, says a July report. Large orders from the United Kingdom were being received by both wholesale and retail importers. Furthermore, an agreement as to freight rates between seven Argentine shipping firms has done much to increase exports, particularly textiles, from South America to the Union.

The cost-of-living index in the Union continued to rise slightly during the month of June. At the end of that month the average cost of living in the nine urban centers had risen 25 percent above the pre-war level. It had increased most sharply in Pretoria, having risen by 29 percent. Next came Bloemfontein with a 26.6-percent increase, followed by the Rand with 26 percent.

Heavy rainfall on the high veld in July continued to impede the harvesting of crops, though it was beneficial to the winter wheat, barley, and early grazing crops. Soil conditions in that section of South Africa are exceptionally favorable for early cultivation.

Food-distribution problems have continued to occupy the attention of Union officials, and there is a growing demand for the creation of a Food Ministry to deal with these matters. A good crop of Valencia oranges—the best in years—was being harvested in July, but lack of containers in which to ship them is expected to restrict exports. Encouraged by the activities of the Citrus Fruit Control Board, domestic consumption has increased threefold, but there is still a large surplus which would normally be exported to the United Kingdom.

The Rand gold mines produced 1,604,572 fine ounces of gold during June, bringing the total production for the half year up to 6,431,345 fine ounces or 725,502 less than the total for the first 6 months of 1942. A shortage of native labor is held largely responsible for this decline, there having been 50,000 fewer natives employed on the Rand than in June 1942.

Owing to a slackening in defense work, the Minister of Public Works announced recently that permits for private building construction of an essential character would again be granted. Efforts will be made to use locally produced materials as far as possible in this work.

A sharp increase in State revenue is shown by recent reports. In the first quarter of the current fiscal year, receipts amounted to over £2,000,000 more than in the corresponding period of last year. For the fiscal year ended March 31, 1943, the final figures showed an improvement over the preceding year of more than £15,000,000.

There is said to be abundant capital in the Union. Interest rates are considered low, and competition among lenders rather than borrowers is reported to be the case.

Wartime
Shortcuts and Savings will
Pay Profits After the Victory

# United Kingdom

## *Wartime Commodity Controls*

*Permission Given to Export Tweeds to the United States.*—The British Board of Trade has agreed that a limited quantity of hand-woven tweeds may be exported to the United States. This concession is not limited to Harris tweeds, as all hand-woven varieties of tweeds are included. The Board of Trade has refused, however, to allow the export of other types of wool cloth to the United States during the current period. The next allocation period begins October 1.

## *Tariffs and Trade Controls*

*Pool for Wool Yarn Exports to Middle East.*—The United Kingdom Wool Control has decided that all export yarn rations for countries dealt with by the Middle East Supply Center shall be pooled in order to facilitate contact between yarn buyers in the Middle East and authorized yarn exporters in the United Kingdom.

A company, known as Yarn Quotas, Ltd., has been incorporated in the United Kingdom to operate this yarn-export scheme. Four pools will be formed, covering the following countries: (1) Syria; (2) Egypt; (3) Palestine and Transjordan; and (4) Cyprus, Iraq, Iran, and Aden.

All raw-material rations issued by the Wool Control for yarn exports to those countries will be allocated to Yarn Quotas, Ltd., for distribution to the appropriate pool, and orders will be filled by the allocation of raw material from the pool to the spinner who is producing and exporting the yarn.

## *Transport and Communication*

*Increased Passenger Traffic on Railways.*—British railways are now running 1,000 extra passenger trains daily, and carry 34 percent more workers than before the war, states the foreign press.

# Uruguay

## *Tariffs and Trade Controls*

*Uruguayan Official Information Service Established in New York City.*—Establishment of an Official Uruguayan Information Service in New York City was authorized by a decree of July 14, 1943, published in the Diario Oficial of July 29. The office, to be called the "Oficina de Informaciones del Uruguay," will be

under the Uruguayan Embassy in Washington and will carry out the activities entrusted to it by the latter, particularly as these relate to the newly established Commercial and Financial Department of the Embassy. It will take whatever measures may be required to facilitate and intensify commercial interchange with the United States, will advise importers and exporters, and will be in charge of commercial propaganda.

*Forage: Customs-Duty Exemption Annulled.*—The exemptions from customs duties on importations of bran, middlings, and other forage derived from wheat which were granted, in view of the local shortage at that time, by the decrees of January 13, February 10, and March 23, 1943, were annulled by a decree of July 30, 1943, published in the Uruguayan Diario Oficial of August 17.

[For previous announcements of the authorization of duty-free importation and price control of forage products, see FOREIGN COMMERCE WEEKLY, issues of March 6 and 27, April 10 and 17, May 22, and September 4, 1943.]

*Alcoholic Beverages: Internal Taxes Increased.*—Increased taxes for a period of 3 years on certain types of alcoholic beverages for the purpose of financing various emergency relief measures, were established by a Uruguayan decree published in the Diario Oficial of August 10, 1943, approved by the General Assembly July 28, 1943.

The tax on imported spirits (whiskeys, gins, etc.) is increased from 20 centesimos to 70 centesimos per liter. On similar spirits made locally, the tax is increased from 20 centesimos to 45 centesimos per liter. Rum from sugarcane, known as "caña," or "aguardiente de caña," and cheap brandy known as "grappa," distilled from the grape, are to be taxed 25 centesimos per liter, whether imported or locally made. Formerly this type of beverage, if made locally, was not taxed, and the small quantity imported was classed with other imported spirits.

All of the above-mentioned alcoholic beverages, before being offered for sale, must be analyzed by the Administracion Nacional de Combustibles, Alcohol y Portland (A. N. C. A. P.), the autonomous entity controlling alcohol, combustibles, and cements, and the possession or sale of any such beverages, or the alcohol itself, which has not been released by the A. N. C. A. P. is punishable by a fine of 20 times the original tax.

The decree provides penalties for the clandestine distilling of spirits, as well as for smuggling, and also provides that there shall be no additional licenses granted for the sale of alcoholic beverages. In order to obtain a license by transfer, the new establishment must pay a tax equal to twice the original cost.

[For previous announcement of taxes on alcoholic beverages see FOREIGN COMMERCE WEEKLY of November 15, 1941.]

*Bank of the Republic Instructed to Import Oleaginous Seeds.*—The duty-free importation of a maximum of 30,000 tons of oleaginous seeds, authorized by a decree of May 25, 1943, has been annulled and the importation of these seeds has been entrusted to the Bank of the Republic for the account of the Government. The customs treatment, sales prices, and other regulations concerning importation will be published later.

[For previous announcement of the declaration of oil-seeds stocks requirement, see FOREIGN COMMERCE WEEKLY of July 17, 1943.]

# Zanzibar

## *Wartime Commodity Controls*

*Import Requirements of Medicines to be Reported.*—Importers of patent and proprietary medicines in Zanzibar have been asked to submit a detailed list of their probable 1944 requirements to the Senior Medical Officer-in-Charge, according to a notice in the Official Gazette of July 3, 1943.

# Brazil's Industry

(Continued from p. 10)

331 cruzeiros (about $17 U. S. currency). It should be noted that these wages obtain in Sao Paulo, the most prosperous district of Brazil. Wages are even lower both for agricultural workers throughout Brazil and for industrial workers in northern Brazil. If the average standard of living in Brazil were to be raised to the level existing in the State of Sao Paulo the value of the national industrial output would probably about triple the 1938 figure.

## *Relation to Agriculture*

The recent expansion of industry might conceivably create the impression that manufacturing is on the way to replacing agriculture as the primary activity in Brazil's economy. The following statement, indicating the manner in which industry has come to surpass agriculture in the value of total production, carries several important qualifications (figures are in 1,000 cruzeiros):

| | *Manufacturing* | *Agriculture and pastoral industry* |
|---|---|---|
| 1920 | 3,200,000 | 7,935,000 |
| 1927 | 7,000,000 | 11,800,000 |
| 1938 | 20,013,425 | 12,800,000 |

Despite the greater value of industrial production over agricultural, the importance of industry in relation to agriculture is not equivalent to this difference in value. The comparison of values alone obscures three vital factors: (1) In some cases the value of agricultural production is duplicated in the figures on the value of industrial production, since a number of the products processed in industry are agricultural products—as foodstuffs, textiles, and tobacco manufactures. (2) A large part of the value of industrial production also duplicates the value of the products of the livestock industry, which while not agricultural is to a great extent dependent upon agriculture and is in any case closer to agriculture than to industry. (3) Most important, however, is that about eight times as many persons are employed in agriculture as in industry. Hence the amount that industry contributes to the wealth of the country is entirely disproportionate to the number of people it supports. Without industry, Brazil might continue to get along in some fashion; without agriculture it would, of course, not survive.[4]

[4] The above statistics are from "Brazil, 1940–41," published by the Brazilian Government's Ministry of Foreign Affairs. Subsequent to 1938 no comparable figures are available.

# *News by* COMMODITIES

## Chemicals

### Argentina's Chemical Exports

Argentina now exports in volume several industrial-chemical products of local manufacture, the foreign press reports.

Tartaric acid is shipped to South Africa and Brazil; stearic acid to Colombia, Cuba, and Mexico; writing ink to Colombia and Peru; and paints to Bolivia and Panama.

### New Factory Being Established in Quebec, Canada

Canadian Celanese, Ltd., is establishing a new factory in Drummondville, Quebec, say trade reports from Canada.

Plastics and chemicals will be the principal products, and 2,000 employees are to be added to the staff.

The plant will cost approximately $5,000,000.

### Chile's 1942 Imports and Exports

Industrial oils, paints, and chemical products were important items in Chilean import trade in 1942, according to statistics recently appearing in the foreign press. Imports of these products last year amounted to 96,304,700 pesos, a substantial increase over 1941, when they totaled 75,805,000 pesos.

Chile's exports of chemical and other manufactured products (exclusive of nitrates and iodine) in 1942 are reported as 9,948,000 pesos; in 1941 they amounted to 9,834,000 pesos.

### Salt Production in China

Dinner plates of slabs of salt, automatically seasoning the food served thereon, is said to be a practice of local inhabitants of the dry salt-lake areas of China. These lakes, from which salt can be swept with a broom, supply China's northwest, supplemented by salt from deposits of rock salt.

The least costly method of salt production in China is the sun's evaporation of sea water along the coast. This is the source of salt for Kwangtung and Fukien, from which an estimated 8,040,000 piculs (1 picul=133⅓ pounds) is expected in 1943. Owing to the threat of further Japanese operations and the consequent interference with the supply of coastal salt, production from salt wells is of increasing importance.

The principal salt wells are at Tze Lin Tsing, between Chungking and Chengtu (known as the Szechuan-Sikang district) from which in 1943 production is estimated at 6,350,000 piculs. Wells in eastern and northern Szechwan are expected to produce 2,897,400 piculs in 1943; and the mines of Yunnan, 1,200,000 piculs.

The Chinese are anxious to maintain the supply of galvanized iron buckets and wire rope used in drawing the salt brine from the wells of Tze Liu Tsing, 2,000 to 3,000 feet deep. Use of the old-fashioned bamboo buckets and bamboo rope is possible, but much less efficient.

Relatively shallow wells in the Wu Tung Chiao area, near Chengtu, have promising possibilities, according to an authority who believes that the Tze Liu Tsing wells may be nearing exhaustion. Production from small wells at Santai, in northern Szechuan, and also in eastern Szechuan, is costly and the salt produced is of poor quality.

Early in 1942 salt became a Government monopoly in China.

### Chemical Developments in India

The Indian Lac Research Board has developed a method for the large-scale production of thiourea from the cyanide liquors of gas works, according to its annual report for the fiscal year 1941–42.

The Board's work on shellac has emphasized utilization. Considerable quanties of molding powders, adhesives, and varnishes, based on lac, have been made for military purposes.

Investigations conducted on a pilot-plant scale included the manufacture of urea and the production of tartaric acid from tamarind and of formaldehyde from ethyl alcohol.

### India's Dye Imports

India's textile industry consumes large quantities of coal-tar dyes, says the British press.

Before the war, almost two-thirds of the industry's requirements were supplied by Germany, with smaller amounts imported from the United States, the United Kingdom, Switzerland, and Japan.

The large outlay of capital and high degree of technical skill required for the establishment of a dyestuffs industry have prevented the manufacture of these materials in India. The treatment of imported intermediates is perhaps the only form in which such an enterprise is likely to be undertaken by local interests.

Imports of coal-tar dyes during the fiscal year 1939–40 amounted to 28,706,125 rupees.

### Paraguayan Control of Alcohol Distribution

During 1942 the Paraguayan Alcohol Corporation, a Government organization, controlled the distribution of 346,856 liters of rectified alcohol and 202,071 of denatured alcohol, in addition to 4,280,098 liters of caña (a local rum).

Sales for 1942 are estimated at 147,518,104 pesos, or approximately $492,000.

### Shortage of Pest-Control Chemicals, Portugal

The use of copper sulfate for treating vineyards has been somewhat restricted in Portugal this year, owing to lack of sufficient supplies.

Vineyard owners received the third ration of copper sulfate in May—the first three rations comprise 60 percent of the total amount required for the growing season. Additional allotments will be delayed, it is stated, and it is not known how much copper sulfate will be available for distribution later.

To aid the potato-raising campaign, the Ministry of Economy has offered to furnish 3½ kilograms of ammonium sulfate for each "arroba" of potatoes planted. In districts where pests are prevalent 120 grams of copper sulfate will also be supplied for each arroba.

### Cigarette Papers Do Their Bit

Nicotine, Nigeria, and nursing are all involved in the story of how cigarette papers were converted to transparent tissue and used in British West Africa as dressings for open wounds and ulcers.

As described in a reputable medical journal, the process includes cleaning the affected area, applying sulfanilamide powder, and covering with tissue for which purpose cigarette papers have proved suitable.

Obvious advantages are that this requires less change of dressing and allows for easy and frequent inspection of the wound. In addition, the discharge is reportedly much less than with ordinary gauze bandage.

## Coal, Coke, and Peat

### Canadian Production of Coal and Coke

An official report on coal and coke in Canada for the first 5 months of 1943 shows production of 7,449,000 tons of coal and 1,304,000 tons of coke.

Output in May 1943 amounted to 1,301,000 tons of coal and 278,000 tons of coke; the April figures were 1,381,000 tons of coal and 268,000 tons of coke.

### Peat Supply and Consumption in Eire

As a result of large stocks of peat on hand in Eire, and despite an anticipated drop in production, it is expected that domestic consumption may be maintained at last year's rate—293,868 long tons being consumed in the year ended March 1943. Stocks are now being accumulated at the rate of 7,500 tons a week in excess of current consumption. The non-peat areas have accumulated stocks equivalent to more than a year's supply.

### Production in Southern Rhodesia

The collieries of Southern Rhodesia are important producers, and their products are exported to the neighboring countries of Northern Rhodesia, Belgian Congo, Mozambique, Nyasaland, and the Bechuanaland Protectorate, says the foreign press. One colliery company operates a large coking plant with a capacity of 12,000 tons a month and a brick and tile works that makes several kinds of refractory bricks and tiles, crucibles, and various other clay products.

### Coal Production in U. K.

Salable coal mined in the United Kingdom in the quarter ended June 30, 1943, has been estimated at 48,650,900 tons, compared with 49,870,900 tons in the April–June 1942 period, the foreign press reports.

# Construction

### Hospitals To Be Built in Chile

The Board of Public Charities in Chile has devised a program calling for expenditure of 356,300,000 pesos, of which sum 108,300,000 pesos is earmarked to be spent on building and enlarging hospitals which are now urgently needed.

### New Buildings in Valdivia, Chile

A four-story office and apartment building with central heating and other modern conveniences was completed in July in Valdivia, Chile. This is the third such building to be built in Valdivia offering up-to-date facilities.

### Irrigation Tunnel Constructed in Lebanon

To irrigate 7,000 acres of land in the southern area of the Lebanon, a tunnel has been cut through 5 miles of mountains to form a channel for the waters of the Litani River, states a foreign technical publication.

### Road Construction and Maintenance, Venezuela

The construction of highways and bridges is attaining an important place in the economic life of Venezuela. Despite difficulties in obtaining materials, the expenditures for road construction and maintenance for the fiscal year 1942–43 amounted to $4,724,245.

Appropriations for the fiscal year 1943–44 provide for the construction of highways and bridges, $4,656,600, and for maintenance and improvements, $2,025,670. These funds will be derived from the usual sources of Government income. The projects to be constructed with funds obtained by loans are bridges on the Guanare-Barinas Highway, $334,029; and on the Caucagua-Higuerote Highway, $338,805.

At present, practically the entire amount of cement consumed is obtained from local plants, and it is estimated that approximately 200,000 bags of cement of 42½ kilograms each were used in the construction and maintenance of highways in 1942. It is estimated that the average consumption of cement prior to the outbreak of war was 3,000 bags daily, of which 66 percent was supplied locally. Asphalt is not used to any marked extent for road construction, and limited quantities are obtainable in Venezuela.

The Pan American Highway is not scheduled to traverse Venezuela. The common meeting point of Venezuela and Colombia is the Puente Internacional Bolivar, reached from Caracas by the Trans-Andean Highway (Caracas, Taborda, Valera, San Antonia del Tachira).

Highways of Venezuela include 1,553 miles of unimproved earth and nonsurfaced, passable only in dry season; 2,610 miles of improved earth, sand-clay, and gravel, passable at all times; 646 miles earth treated with asphalt, and 354 miles of concrete cement—a total of 5,163 miles. Unimproved earth roads over which traffic is difficult even during the dry season approximate 2,796 miles.

A total of 187 bridges (more than 32 feet in length) aggregating 22,309 feet, and 878 pontoons (of less than 32 feet in length) were built during the years 1936 through 1942. These bridges were constructed for H-15 overload, plus impact factor.

Highway and bridge construction in Venezuela is under the authority of the Ministry of Public Works, and funds are supplied by the Government.

### Decline in Building Activity, South Africa

The difficulty of importing lumber, plumbing and electrical equipment, and other essentials, and of increasing restrictions on the use of building materials for private projects, has caused a great decline in such activity in Port Elizabeth, South Africa.

There is an estimated need of 4,000 houses at Port Elizabeth and from 5,000 to 10,000 in East London, the bulk of which would be a modest type for the subeconomic group. The following table, which does not list military undertakings, indicates the trend in private building since 1936:

| Year | Value of buildings— | | |
|---|---|---|---|
| | On approved plans | Completed within the year | Under construction at end of year |
| 1936 | £977,791 | £521,216 | £250,687 |
| 1937 | 1,025,902 | 691,383 | 514,288 |
| 1938 | 947,921 | 1,042,169 | 376,850 |
| 1939 | 1,030,261 | 994,505 | 255,460 |
| 1940 | 655,175 | 802,169 | 576,498 |
| 1941 | 747,326 | 581,852 | 686,422 |
| 1942 | 204,263 | 512,619 | 211,419 |
| 1943 [1] | 33,987 | 55,505 | 20,447 |

[1] First 4 months of 1943 only.

### Venezuela's Public-Works Construction Program

An extensive program of public-works construction for the fiscal year 1943–44 has been announced in Venezuela. The work to be undertaken includes: Airfields in San Antonio del Tachira, La Fria, Barinas, and Guanare; a shipyard on the Orinoco, with ways for 1,500 tons; warehouses at La Guaira and Puerto Cabello; and port works in Cumana and La Guaira.

Buildings are to be constructed for the Clinical Hospital and School of Medicine in the University City in Caracas, the General Penitentiary of Venezuela at San Juan de los Morros, national services at San Cristobal, and the Machinery and Transportation Department of the Ministry of Public Works. Nineteen large school buildings are planned.

A monument and plaza is to be built in Caracas; a house for the Administrator of Customs in Guanta; barracks at Guairia, Maracaibo, Coro, and in the State of Trujillo; and a building for the radio receiving station in Caracas. Improvements are to be made in the radiotelegraphic stations of Puerto Cabello and Maiquetia.

Waterworks and sewers are to be constructed in Irapa, and sewers in San Carlos, Puerto Cabello, and Maracaibo; irrigation work of the Manzanares in Cumana, State of Sucre, and of the Guataparo in Valencia, State of Carabobo; defense works in San Fernando de Apure; and two silos, one in San Cristobal and the other in Coro.

## Modern Magic in a Burmese Jungle

A group of Burmese coolies recently received one of the thrills of their lives when a "talkie" training film was presented deep in the jungle for British and Indian troops.

Shortly after the picture started, the excited coolies appeared, chattering and gesticulating wildly. Most of them remained at what they considered a safe distance, but a few ran around the screen, touching the moving figures cautiously.

The war is opening a strange new world to these people of the jungle. Until recently, they had never seen a motor vehicle—to say nothing of a movie—and a truck or motorcycle is still viewed with awe, and usually a little fear.

# Electrical Machinery and Equipment

### Colombia's Production of Electricity

Approximately 161,000 kilowatts of electricity are produced annually in Colombia. Of this total, approximately 114,000 kilowatts are available to 2,000,000 inhabitants of cities and only 47,000 kilowatts to inhabitants of rural areas.

### Rumanian Production of Electric-Light Bulbs

Domestic production accounted for approximately 45 percent of the 4,915,888 electric bulbs used in Rumania from April 1, 1942, to March 1, 1943, says the Axis press. This is a marked change from the

## Home-Made Equipment Serves Quito's Baseball Enthusiasts

A baseball batter's paradise, free of curve balls, is the South American city of Quito, Ecuador, 9,500 feet above sea level. Because of the rarefied atmosphere, only straight pitches come across the plate. This is the interesting observation of Jorge Phillips, a local Quito shortstop who learned his baseball in New Jersey.

When Phillips returned to his native country, he brought his love of baseball with him. With the ardor of the true fanatic, he soon had several teams organized there and persuaded Quito University and other schools to make the game part of their activities. Phillips coaches all the teams.

One of his biggest problems was obtaining equipment. In a city where baseball was an academic question until very recently, ordinary bats and balls were museum pieces. But the ingenious young Phillips solved these problems with energy.

Marshalling his disciples, he marched them into the woods around Quito and had them chop samples from every variety of tree in the vicinity. Experimentation showed eucalyptus wood, of all the local varieties, to be best for "swatting 'em out," and the players now turn out their own bats, made to measure, on a home craftsman's lathe.

The shortage of baseballs was solved by taking horsehide to a local leather worker and having him hammer the leather down to specifications.

Ecuador's first intercity series, between Quito and Guayaquil, is to get under way soon, say reports. Guayaquil has organized 15 teams since the game was introduced 2 years ago. And the games played in Quito promise to be exciting, for the same rarefield atmosphere that makes curves impossible makes *homers* almost the rule rather than the exception.

preceding year, when Rumanian factories supplied about 70 percent of the demand.

The decline in domestic production is generally attributed to difficulties in obtaining essential materials, such as wolfram and tungsten filaments.

### Work Progressing on Sweden's Power Stations

Despite wartime difficulties, work is continuing in Sweden on hydroelectric projects planned before the war.

The foreign press reports that progress has been made on a number of stations. One of the two 45,000 kilowatt generating units of the Government-owned Torpshammar station on the Gimaan River is now in operation. The other unit will be installed later.

The Uddeholm Co.'s power plant at the Skogafors waterfall on the Klar River in western Sweden has been completed, and one turbine was put into service in May. With the installation of a second unit, the station will have a capacity of 18,000 horsepower. Total cost will be approximately 7,000,000 crowns.

The Uddeholm Co. is now developing 120,000 horsepower from plants on the Klar River and is planning further extensions, including enlargement of the stations at Hagfors, Nykroppa, Knon, and Nain.

# Foodstuffs and Allied Products

## *Coffee and Cocoa*

### Coffee Situation, Brazil

Harvesting of coffee throughout Sao Paulo, Brazil, was reported to be 50 percent completed by the end of July, and the current coffee crop is officially estimated at 8,906,164 bags of 60 kilograms each (1 kilogram = 2.2046 pounds).

The Departamento Nacional do Café reported that from 1931 to June 1943, 77,616,322 bags of coffee were destroyed.

Stocks of coffee in principal Brazilian ports on July 31 amounted to 1,863,588 bags, compared with 1,919,505 bags on the corresponding date in 1942.

Exports of coffee from Sao Paulo during July 1943 totaled 1,237,442 kilograms, compared with 506,768 kilograms in July 1942.

### Haitian Coffee Production and Exports

The first estimate of the 1943–44 coffee crop in Haiti is given as 22,400,000 kilograms. The 1942–43 crop estimate has been revised upward to 17,011,080 kilograms.

Exports of coffee from Haiti during the third quarter (April 1 to June 30, 1943) of the 1942–43 Haitian coffee quota year (October 1 to September 30) amounted to 4,377,839 kilograms, compared with 978,829 kilograms in the corresponding period of the 1941–42 coffee quota year.

Cumulative exports during the first three quarters of the 1942–43 Haitian coffee quota year (October 1, 1942, to June 30, 1943) totaled 23,384,964 kilograms, or about 49 percent more than the 15,630,785 kilograms exported in the corresponding period of 1941–42.

### Ecuadoran Coffee Situation

The 1943 Ecuadoran coffee crop was unusually slow in maturing. Usually the crop is harvested in June, but this year substantial deliveries of new coffee were not made until the middle of July. All indications, however, are that this year's crop will exceed that of last year, both in quantity and quality.

Deliveries of coffee at the port of Guayaquil during July amounted to 8,000 quintals (of 101.4 pounds each), compared with only 900 quintals during June. A large percentage was from the Province of El Oro.

As a result of increased deliveries of coffee at the ports of Guayaquil, Manta, and Bahia, exports rose correspondingly.

Quotations on first-grade coffee suitable for export from Ecuador in July, compared with quotations for July 1942, are shown in the following table:

| Quotations | Value [1] | |
|---|---|---|
| | July 1942 | July 1943 |
| | *Per pound* | *Per pound* |
| Average | $0.079 | $0.078 |
| Maximum | .085 | .085 |
| Minimum | .074 | .071 |

[1] In U. S. currency.

### Coffee Production and Exports, Guatemala

Picking of the new coffee crop in Guatemala began in the early part of August, and present indications are that total production will be about 766,800 bags of 60 kilograms each, or about 10 percent less than in the preceding season.

Exports of coffee from Guatemala during the 4 weeks from July 4 to July 31, 1943, were double the quantity shipped during the corresponding period of 1942.

### Sweden's Chocolate Industry

In normal times Swedish chocolate factories close for a short period during the summer to give employees a vacation period. This year, however, because of a shortage of raw materials, they closed for a much longer period. The chocolate manufacturers, however, hope that the arrival of adequate quantities of raw materials on safe-conduct ships will preclude the necessity of further shut-downs.

In 1939, Sweden imported 9,683 metric tons of cocoa beans, 264 tons of cocoa powder, and 1,285 tons of cocoa butter, while corresponding imports in 1942 were 4,404, 4, and 713 tons, respectively.

No figures are available showing imports of chocolate products in 1943, but it is assumed that they have decreased in comparison with the corresponding period of 1942 because of the temporary stoppage of safe-conduct shipping during the first part of this year.

Distribution of available imports among the chocolate manufacturers is under the control of the State Food Commission.

Allocation of sugar to chocolate manufacturers has been cut to 80 percent of the 1939 consumption. Effective July 1, 1943, the manufacturers were obliged to take one-third of their allocation in Danish sugar. This will make the production of chocolate more expensive as the Danish product costs 1.60 Swedish crowns per kilogram, while the price of Swedish sugar is only 0.50 crown per kilogram. The sweetened condensed milk used in the industry is also to contain Danish sugar.

The allotment of glucose has been cut to 85 percent of 1939 consumption.

Nut kernels and almonds are in great demand by the industry. The former have been imported from Turkey and the

latter from Italy, but recent events have prevented shipment. Negotiations are being carried on with Spain for the purchase of almonds, but imports from that country will also involve transportation problems.

The placing of all stocks of block chocolate in excess of 10 kilograms under Government control on April 16, was a measure taken to provide an equitable distribution of the limited supplies of raw materials. In addition to controlling raw materials effective July 8, 1943, the State Food Commission ordered manufacturers to confine their production of chocolate products to certain standardized types. The use of chocolate in the manufacture of bakery products or ice cream is also prohibited.

The objective of the standardization order is to achieve as large a production of low-priced chocolate products as possible from the limited supplies of cocoa beans reserved for manufacture.

## *Dairy Products*

### Sheep Production in Bulgaria

Sheep are invaluable sources of milk, cheese, meat, and wool to the Bulgarian farmer, according to the foreign press. For generations, Bulgarians have made white and "kashkaval" cheese from sheep's milk, which as a source of income to the Bulgarian farmer plays a leading part in the national economy. Very little cheese is produced from cow's milk. Cow's and buffalo's milk are usually consumed as fluid or made into butter.

Bulgaria's foreign market for cheese made from sheep's milk has always been in the Near East. As that market is now closed, it is necessary to build up sales outlets for Bulgarian cheese in Europe.

While cheese made from sheep's milk is not popular in Central and Western Europe, it is believed that Roquefort cheese could be produced in Bulgaria and would find a ready market.

This does not mean any reduction in sheep raising in Bulgaria, or in production of the common types of cheese from sheep's milk, but rather the development of a new industry.

### Milk Consumption and Supply, Chile

The below-normal consumption and supply of milk in Chile have long been matters of concern to Chilean officials; few countries consume less milk per capita than Chile. Although Santiago could consume 500,000 liters (1 liter=1.0567 quarts) its present consumption is 173,000 liters.

The Sociedad Agronomica de Chile (Agronomical Society of Chile) which made a study of the situation, according to the foreign press, suggests that measures be adopted to help solve the problem. It is proposed that a census be taken by the Agricultural Department to determine the number of cows and their production in the region that supplies Santiago, and the inauguration of a register where producers willing to furnish fresh milk can apply for credits to obtain cows and bulls of high dairy quality. Further, it is asked that there be a purchase or expropriation of 10,000 cows from the southern region, and that cows be sent south for raising, where pasturage is cheaper and more abundant. Other measures include: The lowering of transportation costs and feed; apropriation of funds to combat diseases prevalent in dairy cows; granting of credits for installing dairies and tax exemption for 10 years on dairy buildings and improvements. Fixing of ceiling prices on butter and cheese to avoid the increasing use of fresh milk for these products because of their better returns is also asked. The nation is requested to give students an opportunity to specialize in dairying abroad, to increase the consumption of milk among school children, members of the armed forces, and others.

In contrast to the situation surrounding fresh milk, it is reported that a large condensed-milk factory supplied 51,000 cases of condensed milk this year, compared with 53,000 during 1942.

### Butter Stocks, Eire

Irish creamery-butter stocks increased by 25,169 hundredweight—to 101,545 hundredweight—between June 30 and July 15, 1943, and factory and other butter stocks increased by 3,418 hundredweight—to 13,899 hundredweight. From July 1 to July 15, 1943, production of creamery butter approximated 48,927 hundredweight, compared with 47,147 hundredweight for the corresponding period last year. The quantities in cold storage on July 15, 1943, were: Creamery butter, 90,388 hundredweight; other butter, 7,696 hundredweight.

## *Fish and Products*

### 1942 Fish Catch, Bermuda

The fish catch in Bermuda in 1942 rose from 170,000 pounds in 1941 to 512,000 pounds in 1942, while the number of lobsters caught increased from 2,500 to 6,000.

The value of the output of fish and lobsters increased from £9,200 in 1941 to £39,667 in 1942.

Fish is an important element in the diet of Bermudians, thus the increase in production was a boon to the lower-income groups; although fish rose 50 percent in price it was much cheaper than meat.

The best explanation of the 1942 fishing boom seems to be the increase in the price which in turn may be attributed to increased demand on the part of workers who are now receiving higher incomes than ever before.

## *Fruits*

### Crop Estimates for British Columbia, Canada

The 1943 peach crop in British Columbia, Canada, will amount to only 358,700 crates, according to estimates of the Provincial Department of Agriculture; the 1942 harvest was 957,825 crates.

The plum crop is estimated at 114,075 crates, compared with 146,192 crates in 1942.

This year the prune crop is said to be exceptionally good, an estimated yield of

## Brazil, With Big Bauxite Reserves, Seeks Aluminum Industry

In need of aluminum for its growing aircraft-manufacturing industry, Brazil is aiming to use more extensively vast deposits of bauxite, the source of the light metal.

Besides bauxite, Brazil has large potential sources of hydroelectric power. Together, bauxite and power form a natural basis for the development of the aluminum industry and Brazil's air age.

With the expansion of air transport, Brazilians believe they can overcome transportation obstacles that have been retarding the development of areas lacking railroads and highways.

Establishment of a Brazilian aluminum industry has been held up by the difficulty of obtaining equipment, in view of the expansion of light-metal industries in North America for war needs.

Nevertheless, Brazilian industrialists envisage a coming day when the combination of great bauxite deposits and electric power resources will enable Brazil to have a substantial aluminum industry. Since 1940, in face of the demand for aluminum from war industries in Europe and North America, Brazil has been deprived largely of its former imports (though they amounted to less than 2,000 tons annually).

Brazil's known bauxite deposits are estimated to total 150,000,000 tons. The largest is located near the health resort of Pocos de Caldas, in the State of Minas Gerais, and is estimated to contain 120,000,000 tons of high metallic content.

Commercial exploitation of these ores for export has lagged partly because of the competition from bauxite deposits in Dutch and British Guiana, source of much of the bauxite used by North American industry.

Brazil hastened its plans for establishment of a domestic aluminum industry after the start of the war in Europe in 1939, but was unable to get plants completed before Pearl Harbor.

Meanwhile, with United Nations war needs getting first call on equipment for expansion, Brazil has encountered delay in realizing hopes of utilizing the bauxite and power resources that nature has given the country. Still Brazil has gone ahead with planning. A third aluminum-producing concern is being organized for installation of a plant at Campos, in the State of Rio de Janeiro.

Previously two plants were projected for construction at Rodovalho, Sao Paulo, and Ouro Preto, Minas Gerais.

525,950 crates being anticipated. Last year the crop totaled 354,640 crates.

The pear crop decreased from 369,324 boxes in 1942 to an estimated 241,900 boxes this year.

BANANA PLANTINGS IN HAITI DESTROYED BY STORMS

Violent rain and wind storms in the Plain of Artibonite northeast of St. Marc, Haiti, on August 5 and 9, blew down about 50 percent of the banana plantings in that region, and it is reported that it will take from 7 to 8 months to put this area back into full production.

Banana plantings in the Artibonite Valley approximated 1,600,000 plants, and of that number 800,000 were reported to have been destroyed in the two storms.

About 35,000 stems of bananas were to have been exported weekly to the United States from Haiti, but this has now been revised to from 20,000 to 22,000 stems per week for the next 4 weeks, after which a downward adjustment may become necessary.

## *Meats and Products*

MEAT-CANNING FACTORIES IN PRODUCTION, EIRE

The meat-canning factories in Eire are again in production, it was reported on August 7. Total production is about 20,000,000 pounds a year. However, the supply of suitable cattle is below requirements.

## *Sugars and Products*

1943 SUGAR CROP, BARBADOS (B. W. I.)

Final figures for the 1943 Barbados sugar crop show an output of 133,300 tons. This is the second largest crop on record, and it is significant that it was achieved on a decreased cane acreage.

Approximately 117,000 tons of the 1943 sugar crop will be exported. The remainder will be consumed locally or shipped to nearby West Indian islands.

Official OWI Photo

The molasses situation has improved because of recent exports and it is expected that the remaining 18,000 tons will be shipped before the end of February 1944.

PARAGUAYAN SUGAR PRODUCTION

The 1943 sugar-milling season began in Paraguay on June 23. As of July 1, stocks of sugar amounted to only 53,750 kilograms—a reflection of the interval between the ending of the old season and the begining of the new, when stocks are lowest.

Sugar production in 1943 will probably be about 9,500 tons. This will not be large enough to meet the requirements of Article II of the sugar law of May 29, which stipulates that the domestic-consumption allowance be set at 10,000 tons and that a reserve of 2,000 tons be created before exports are made.

## *Vegetables and Products*

1942 VEGETABLE PRODUCTION INCREASED IN BERMUDA

Increased production of agricultural products was the aim of the Bermuda Government in 1942. The number of acres under cultivation increased from 1,447 to 1,501. Production of potatoes amounted to 101,000 bushels, compared with 85,000 in 1941, and the output of miscellaneous vegetables increased from 200,000 bushels in 1941 to 255,000 bushels in 1942.

Agricultural production in 1942 was stimulated by higher prices paid for farm produce, and was aided by a guaranty of minimum prices from the Colonial Government and the payment of a subsidy to potato growers. Prices of potatoes and miscellaneous vegetables rose 37 and 20 percent, respectively.

Cabbage, celery, and onions were the only farm food products exported in 1942; these amounted to only 8,213 bushels, compared with 41,505 bushels of vegetables (including potatoes) exported in 1941. The desire to sell domestic produce in local markets as well as the difficulties of shipping to Canada and the British West Indies caused this decline in vegetable exports.

# Glass and Products

SHORTAGE OF GLASSWARE IN EIRE

For the last 6 months Eire has experienced a shortage of domestic glassware, including cups, saucers, bowls, and plates. The price of a cup and saucer has risen since the beginning of the war from 5 pence to 1s. 6d.

It is reported that by the end of the year the greater part of the reserve stock is likely to be exhausted and imports will be virtually negligible.

# Iron and Steel

PRODUCTION IN CANADA

Production of iron and steel in Canada in the first half of 1943, officially reported, included 867,789 net tons of pig iron; 101,920 net tons of ferro-alloys, and 1,499,153 net tons of steel ingots.

Output in June amounted to 147,889 net tons of pig iron, 18,151 of ferro-alloys and 239,501 of steel ingots.

SPAIN'S 1943 PRODUCTION

Little hope for improvement in the production of iron and steel in Spain in 1943 is given by an official of the Altos Hornos de Vizcaya, says a foreign press report. Although demand is small in Spain, production lags behind demand, and prices remain high.

Contributing factors are: Insufficient number of technicians, the wide range of specifications, and shortages of coal, scrap, and alloying elements. The coking coal is imported.

# Leather and Related Products

## *Leather and Manufactures*

DEVELOPMENT OF INDUSTRY IN BRAZIL

The same international-trade problems which were created in World War No. I are affecting Brazil's leather industry today. Up to 1914 most of the hides and skins produced in Rio Grande do Sul, the country's leading livestock-raising district, were exported in the raw state, and tanned leather was obtained almost entirely from foreign sources. It is generally conceded that Brazilian leather tanning as an organized industry sprang up out of World War I when import difficulties stimulated the first serious attempt to develop the domestic tanning industry to any appreciable degree.

With skilled technical knowledge lacking at that time, however, little was known or done about combating or preventing livestock skin diseases. As a result the number of raw skins and hides available was small, and finished products were inferior to those of foreign origin, especially in the case of upper leathers for medium and high-grade shoes.

When post-war international trade was resumed, the market was again diverted to European channels. Not all gains made in the domestic tanning industry were lost, however, and the manufacture of coarse leather suitable for saddlery, cheap trunks and handbags and laborers' footwear continued firm and prosperous.

In many respects the problems created by World War II are even more disturbing than in the previous war, since they involve difficulties in obtaining supplies from the United States.

Consequently, renewed efforts are being made to expand the domestic tanning industry to the point where it can be self-supporting. Past experience has been utilized to good advantage, and the finished leathers give evidence of commendable progress in the tanning industry. All shoes of medium- and high-price grades are now manufactured almost exclusively from Brazilian upper leathers and are of good quality and appearance. With the exception of caustic soda and certain anilines, all materials

employed in a Brazilian tannery are of domestic origin.

Pigskins, for which there had been little demand until recent years, are now being prepared for upholstering, men's gloves, ladies' handbags, and various other uses.

At present, most of the hides and skins produced are still exported in the raw state (salted or dried), but it is possible that in the future Brazil may be in a position to export finished leathers. In that event, Rio Grande do Sul will occupy an important position in that trade.

Laborers employed in Brazil's leather industry at the end of 1942 numbered approximately 13,800, an increase of nearly 1,000 since the end of 1940.

### South Africa Supplying Shoes to U. K.

The first consignment of 700 pairs of children's shoes which are being sent from South Africa to Great Britain, has been received, according to the African Press. Manufacturers and tanners have offered to supply 2,500 pairs, including extra half soles for each pair.

## *Hides and Skins*

### Production in Uruguay

Production of hides and skins in Uruguay during June 1943 is estimated at 89,912 cattle hides, 17,687 calfskins, and 99,768 sheepskins and lambskins.

# Livestock

### Situation in Bermuda

The number of horses in Bermuda dropped from 1,300 in 1941 to 1,079 in 1942, reportedly as a result of a shortage of fodder during the summer. However, the number of hogs (which can be fed domestic produce) more than doubled during 1942.

Poultry increased by 40 percent and egg production from 260,000 dozen in 1941 to 449,000 dozen in 1942.

Although the number of dairy cattle increased slightly, milk production dropped from 800,000 gallons in 1941 to 670,000 gallons in 1942.

Egg and milk prices increased by 44 and 15 percent, respectively.

### Annual Horse Show Held in Eire

The world-famous annual horse show of the Royal Dublin Society concluded its 1943 meeting on August 7. Attendance was better than last year and despite a financial loss the Society considered this year's show a success.

There was no international competition, but a number of Portuguese military officers attended the show with a view to purchasing horses likely to make international jumpers.

# Lumber and Products

### Finland's New Lumber-Export Company

Four leading lumber-export firms in the Viborg district of Finland have organized a new joint company, with a capital of 14,000,000 Finnish marks, the European press reports.

The company's mills are located in Joensuu, Viborg, Villmanstrand, Sulkava, Inkila, and Nyslott, in one of the principal wood-producing regions.

### Timber Conservation in Southern Rhodesia

The new policy in regard to forestry, recently announced by the Southern Rhodesian Government, will increase the amount of timber ultimately available, says a British lumber magazine.

Forests will probably be opertaed for some time on a smaller but regulated output and as a result of systematic management eventually will become more productive. The plan is based on a survey made of the resources of the country, covering a period of almost 10 years.

Timber not previously marketable now forms a considerable part of the lumber supply. Brown and white Mukwa, for example, are being produced for building purposes for the Rhodesian air-training program. These timbers are expected to remain on the post-war market.

### Manufacture of Prefabricated Houses, Sweden

Bracke Angsag, Sweden, are planning to erect a plant for the manufacture of prefabricated houses, a European lumber journal reports.

A separate company will be established to operate the mill.

# Machinery, Other Than Electrical

### Use of Farm Machinery Increased in Sweden

Binders are used to harvest approximately 67 percent of the seeded acreage in Sweden, it is reported. The use of harvesting machinery has increased greatly since 1920 when only about 6,000 binders were in operation. By 1930, the number had risen to approximately 26,000; there are now 66,476.

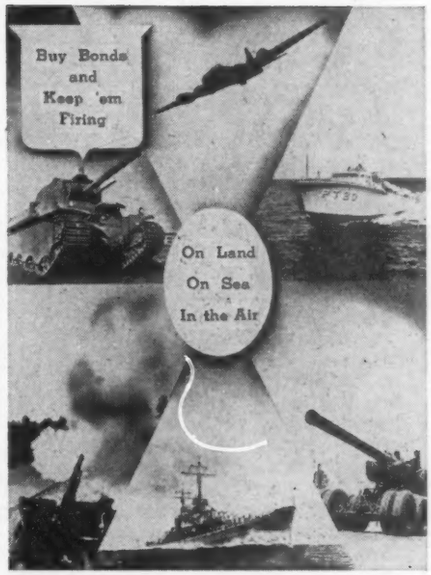
Sweden's latest official census (1937) showed the total number of farms in the country as 418,644, of which 322,345 were less than 10 hectares in size.

### Canadian Manufacture of Farm Implements

Farm implements manufactured in Canada in 1941 were valued at $34,422,202, according to the Dominion Bureau of Statistics. This was an increase of 52.6 percent over the 1940 total of $22,553,459 and of 114.6 percent over the 1939 total of $16,035,223.

Farm machinery exports rose almost $2,000,000 in 1941, amounting to $11,535,815, compared with $9,609,360 in the preceding year. Imports were valued at $30,971,947, an advance of approximately $300,000 over 1940 figures.

In both 1940 and 1941, there were 34 factories engaged in the production of farm machinery—24 in Ontario, 4 in Quebec, 4 in Manitoba, and 1 each in Alberta and Prince Edward Island. Approximately 96 percent of the total output comes from the Ontario factories.




The numbers of various types of implements manufactured in 1939, 1940, and 1941 are shown in the following table:

| Item | Number manufactured in— | | |
|---|---|---|---|
| | 1939 | 1940 | 1941 |
| Plows | 37,823 | 81,494 | 67,497 |
| Mowers | 8,242 | 8,687 | 11,218 |
| Harrows | 28,755 | 37,955 | 36,889 |
| Binders (grain) | 9,916 | 13,297 | 8,893 |
| Threshers and combines | 3,049 | 3,055 | 3,629 |
| Grain drills | 5,530 | 7,536 | 7,944 |
| Cream separators | 5,520 | 5,946 | 19,876 |
| One-way plows | 3,525 | 4,770 | 6,236 |
| Cultivators | 5,884 | 9,980 | 6,146 |
| Scuffers | 9,656 | 11,791 | 11,726 |
| Weeders | 1,535 | 1,567 | 1,825 |
| Corn planters | 2,298 | 2,844 | 1,750 |
| Hay loaders | 1,122 | 1,290 | 1,812 |
| Manure spreaders | 3,007 | 3,941 | 4,019 |
| Hay rakes | 4,924 | 5,502 | 5,987 |

### Mexico's Manufacture of Farm Machinery

There are said to be 16 Mexican factories—most of them small—manufacturing some type of farm machinery. Walking plows, however, are the only implements now being made in sufficient quantity to meet any substantial part of the country's requirements. The present rate of production is approximately 42,000 per year, but potential output is about 100,000 units annually. Since Mexico's annual requirements are estimated at 60,000 plows, it is possible that all demands could be supplied domestically.

Generally speaking, the manufacture of agricultural machinery has never been highly successful in Mexico. Most of the plants established have not had adequate financial or technical backing, and their products have not always compared favorably with imported machines.

### Distribution of Farm Machinery in Yugoslavia

Efforts are being made in "Croatia," Yugoslavia, to distribute new agricultural machinery and implements in areas

## Now How About Some "Figs From Thistles"?

The war is proving that there is a use for almost everything. Even *thorns*, long regarded as one of man's minor irritants, have now been put to work. In India, they are serving as substitutes for scarce metal pins.

Squads of villagers collect long thorns from the common babul tree and pack them carefully in old match boxes. Clerks in the offices of the Indian Defense Service are now using the thorn-pins and finding them quite satisfactory—and the foreign press says that all Indian Government employees may soon be "thorning" their papers together.

No reports on the number of thumb casualties have been received.

where they will serve the State most effectively.

Under new regulations, reported in the Nazi press, agricultural machines and implements may be delivered only with the special permission of a "district official" who will investigate each request. His approval or disapproval of the application will depend upon the condition of equipment now owned by the prospective purchaser and upon his record in fulfilling obligatory crop-delivery requirements. All machinery being replaced because it is beyond repair must be turned over to the Agrar-Import Co. at scrap-iron prices.

Sale of repair parts will be contingent upon surrender of the worn parts.

# Medicinals and Crude Drugs

### Bulgarian Exports of Medicinal Herbs

Bulgarian exportations of medicinal herbs valued at 200,000,000 leva (1 lev= 1.2 cents) for the first 6 months of 1943 increased measurably over the amount exported in the preceding year.

### Valerian Production in Bulgaria

The domestication of valerian on an experimental basis will be attempted soon in Bulgaria. Previously this medicinal plant has been growing in the forests of that country.

A root production of 12,000 kilograms per hectare is expected. The selling price of these roots is 20 leva per kilogram.

### Development of Chile's Medicinal-Plants Industry

A Chilean corporation with a capital of 25,000,000 pesos has been formed to develop the medicinal-plants industry of that country. This concern is an outgrowth of a 12-year-old firm which, among other things, grew belladonna, pyrethrum, coriander, lavender, and prepared essences of eucalyptus and peppermint.

### Iodine from "Flue Dusts," Germany

Experiments are being conducted in Germany with a view to finding a means of recovering iodine from flue dusts. It has been demonstrated that dust obtained in the electrostatic cleaning of blast furnace gases is the source of this halogen and that potassium chloride of 98 percent purity can be recovered at the same time.

Four blast furnaces of a large German plant produce about 17½ tons of this dust daily and it is estimated that from 4 to 5 kilograms of iodine and 3 tons of potassium chloride could be recovered. When the report was made, however, the necessity for iodine in Germany had not reached the point where it was believed practical to build the works to make this recovery.

Briefly, the process includes the lixiviation (separation by washing with a solvent) of dust with water, filtration, and evaporation of the extract. Then, says a foreign trade magazine, the product is reduced to powder and iodine is distilled from the residue. The remainder is taken up with water, treated with calcium chloride, and the potassium chloride is crystallized.

### Germany's Manufacture of Synthetic Vitamins

A British source has announced that Germany is manufacturing sufficient synthetic vitamins to give one-half of the German population 25 milligrams of vitamin C per person each day.

# Motion Pictures and Equipment

### Theater Showings in Afghanistan

Approximately 145 feature films are exhibited annually in Afghanistan. Normally, about 50 percent are imported from the United States and 50 percent from India. All short subjects shown (about 200 each year) are United States productions.

No films are dubbed, but occasionally a brief résumé in Persian is flashed on the screen before the regular performance. Since the language of the films is usually not understood and since many members of the audiences cannot read the résumés, pictures with much action and little dialogue (such as "Westerns" and slapstick comedies) are preferred. Animated cartoons are not popular; audiences consider them juvenile.

Censorship is very strict. All war films and political news reels are prohibited, and there is also general ban on films derogatory to any nation or people or which might offend followers of the Moslem religion.

At present Afghanistan has only one theater, located in Kabul and with seating accommodations for 600. Plans have been made for the construction of several other theaters, but these probably will not be built until after the war.

### U. S. Films Popular in Chile

A high percentage of the feature motion-picture films presented in Temuco and Valdivia, Chile, are imported from the United States; the remainder come from Argentina, Mexico, and France. Approximately 800 features are shown in the two towns annually.

With the exception of a few news reels and educationals produced in Chile and an occasional British news reel, practically all the short subjects exhibited are also supplied by the United States.

Total attendance at Temuco's two theaters and Valdivia's three theaters was about 400,000 in 1942. Admission prices vary according to the quality of the program being offered. Highest prices (about 30 cents for orchestra seats) are charged for a premiere, and lowest prices are for a double- or triple-feature matinee at which the program usually includes a serial, a "western," and an old feature.

Musicals and operettas are the most popular types of films. Comedies, adventure stories, and animated cartoons are also well liked.

### Film to be Produced in Eire

Irish Photoplays, Ltd., a company which has been inactive for several years, is planning to produce a film in Eire early next year at an estimated cost of £120,000. Outdoor scenes will be made in Eire, and the interior scenes will be made in England.

It is reported that the company hopes to establish a studio in Eire later and also to develop an export market.

## Swedish Archives Building Encased in Rock

A "rock building" costing more than 3,000,000 crowns ($750,000), and requiring longer than 30 months to build, has been completed in Stockholm, Sweden, states a foreign journal. This building has been constructed entirely of concrete, and is built within an excavation made in a rocky projection, called "Kungsklippan" (King's Rock), located in the center of Sweden's capital. It is intended to house the city's archives and records.

The building consists of seven stories, and below the outside ground level are two cellar floors which contain stores, heating plant, and a reserve electric plant. The interior is laid out on a standard plan, with six archive rooms approximately 120 feet long by 20 feet wide on six of the floors. The top floor is utilized for offices, and from a balcony on that floor visitors can look down into the pit between the walls and the rock, since the building stands separate from the rock around it.

### Theater Attendance in Haiti

Rationing of electricity has made it necessary for motion-picture theaters in Haiti to reduce the number of performances given daily. Shortages of gasoline and tires also prevent some persons from coming to the theaters. Nevertheless, annual attendance at the country's eight theaters is approximately 225,000.

Admission prices range from 5 cents to 22 cents, according to the type of film being exhibited. It is said, however, that probably not more than 3,000 persons in the entire country can afford to attend the theater.

Musicals are very popular, and sentimental stories and comedies are usually well liked. Animated cartoons and news reels appear to be the only types of short subjects which appeal to Haitian audiences.

# Naval Stores, Gums, and Resins

### India's 1943 Lac Production

India's Baisakhi lac crop for 1943 is estimated at 402,000 maunds (1 maund= 82.28 pounds), only 39 percent of the 1942 yield and 54 percent of the average yield for the past 12 years, the Indian official press reports.

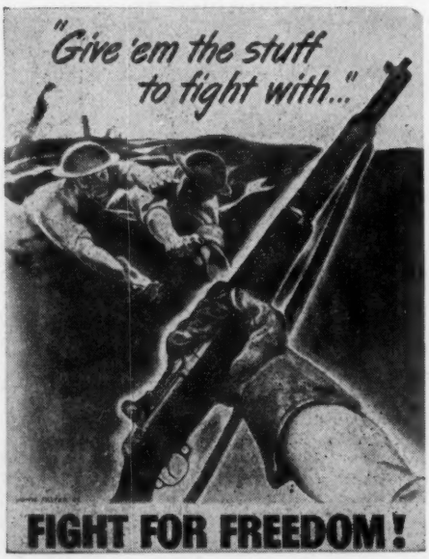
The poor crop is attributed to the fact that many lac host trees remain vacant for want of good brood lac. This year's crop was expected to mature rather late, and the final results depended on the weather in April and May—good rains increase the yield and drought and severe heat reduce it.

Bihar has the largest crop in the country this year, which is expected to total about 224,000 maunds. Bengal was hit hardest for want of good local brood lac.

### Mexican Manufacture of Phonograph Records

The only factory in Mexico which uses shellac for the manufacture of phonograph records reports that synthetic resin substitutes have been tried and found unsatisfactory.

Normally this company makes part of its record stock and imports the remainder. However, since the beginning of the war, ready-made stock has been practically unobtainable and the firm has produced most of its requirements from domestically purchased materials.




### Production of Gum-Arabic in Nigeria

Gum-arabic production has become an established village industry in the Bornu Province of Nigeria. More than 600 tons of the product have been sold during the past year, the African press reveals.

# Nonferrous Metals

### Canadian Gold and Silver Production

Output of gold and silver in Canada in the first 5 months of 1943 is officially reported at 16,461,000 and 8,130,000 ounces, respectively.

Gold production in May 1943 dropped to 3,134,000 ounces from 3,231,000 in April; silver output decreased to 1,458,000 ounces from 1,672,000 reported for the preceding month.

### Mercury Production in Canada

Because of the low grade of the mercury ore of British Columbia, mercury can be mined and worked only under the high prices now prevailing, says the foreign press. In the less than 3 years since initial output, plant capacity has increased more than twentyfold.

### German Breweries to Surrender Copper Equipment

All copper apparatus, fittings, and utensils in German breweries is subject to removal, even from breweries in full operation, under a recent decree of the Reich Board for Iron and Metals, says a foreign trade journal. Breweries are responsible for reporting equipment that is subject to the decree, then the amount of compensation is fixed and the copper parts are removed.

### Brass-Sheet Production in India

Production of brass sheets by the five rerolling mills in Bombay, India, is reported as normal. The output during the quarter ended June 30, 1943, is estimated at 300 long tons, the usual quarterly figure.

### Nicaragua's Exports of Gold and Silver

Exports of gold and silver from Nicaragua in June 1943, valued at $733,466 (U. S. currency), were 4 percent higher than in the preceding month ($708,281) and 20 percent higher than the June 1942 value.

Despite shortages of materials—chief of which are Diesel fuel, chemicals, and grinding balls—the monthly average of gold production in 1943 continued higher than the 1942 average of $703,040.

Construction of a water pipe line 7 miles long was planned by one large gold mine to relieve the water shortage which had resulted from insufficient rainfall.

## Britain Producing Vitamin-Fortified Chocolate

The British Ministry of Food has announced that a large part of the chocolate-manufacturing industry of Great Britain is now manufacturing vitamin-fortified chocolate for distribution to children in Europe after the war, according to the foreign press.

The chocolate is being made in 1-ounce bars which will provide approximately a day's requirements of vitamins A, B, C, and D.

It has been decided that chocolate is the most practical means of providing vitamins in a palatable form, continues the article, and the cocoa butter is a natural protective agency against loss of potency of the vitamins.

# Nonmetallic Minerals

### Canadian Production in 1943

Included in nonmetallic minerals produced in Canada in the first 5 months of 1943 were 132,000 tons of gypsum, 7,676 tons of feldspar, 2,175,000 barrels of cement, 390,797 tons of lime; clay products were valued at $2,103,000.

Output of commercial salt in the first 5 months of 1943 amounted to 127,139 tons.

# Oils, Fats, and Oilseeds

### Castor-Bean Production in Brazil

The 1943 castor-bean production in Bahia, Brazil, has been estimated by local shippers at 60,000,000 kilograms.

Consumption of the beans by local vegetable-oil factories the first half of this year totaled 894,960 kilograms, almost two-thirds less than for the corresponding period of 1942. From January through June of 1943 only 50 metric tons of castor oil were consumed in the entire State of Bahia.

According to the same source, there are 170,000 bags (1 bag=60 kilograms) which represent stocks on hand. Slightly more than half of these are in warehouses; in addition, there are 10 metric tons of castor oil on hand.

Castor-oil factories decreased by one-fourth, but production decreased by one-third. For the first 6 months of this year the three vegetable-oil factories now operating had produced 320 metric tons of castor oil and 493 metric tons of castor-bean residue, compared with 800 metric tons of castor oil and 1,200 metric tons of castor-bean residue produced by four factories during the first half of 1942.

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# Paper and Related Products

### Wood-Pulp Shortage in Brazil

At the end of 1942 there were approximately 9,500 workers employed in Brazil's paper industry, as compared with nearly 10,500 at the end of 1940. This decline is attributed to the falling off in importation of wood pulp.

### Increase in India's Paper Production

Paper production in India this year is expected to show a rise of about 12,000 tons. Through economy measures recently instituted it is possible that nearly 30 percent will be released for public use.

To rationalize production, there will be a reduction in types of paper, manufacture being restricted to only a few standard qualities.

### Plans for Constructing Paper Mill in Nicaragua

Plans for constructing a paper mill sometime during 1944 are reportedly under consideration in Nicaragua. The mill, which is to be located on the east coast close to the source of pine lumber, will produce newsprint and sanitary paper.

### Sweden's Pulp Shipments to Germany

Export to Germany of about 50,000 tons of viscose rayon pulp and 40,000 tons of sulfate pulp from Sweden during the first half of this year were provided for in the Swedish-German trade agreement, says the European press. Up to the end of May, approximately 35,000 tons of the viscose rayon pulp and 20,000 tons of the sulfate pulp had been shipped. At that time, it was expected that another shipment would be made before the end of June, but that a substantial part of the quota of sulfate pulp would remain undelivered.

### Paper Conservation in United Kingdom

Only 20 percent of Great Britain's paper mills have machines which can produce pulp from natural raw fibers, states a British publication. Furthermore, it would be impossible to expand and recondition the plants at this time, because of the large amount of iron and steel which would be required. Paper mills keep in production only by using old and waste paper.

Anyone who burns paper in Great Britain may be fined up to £100, and use of paper as wrappers is also forbidden by law. Advertisements and posters are strictly regulated, and no business circulars or catalogs may be printed.

All waste paper must go back to the mills for repulping.

# Petroleum and Products

### Production in Alberta, Canada

Crude oil and natural gasoline production in Alberta, Canada, continued to decline, amounting to 793,022 barrels from 274 wells during June 1943, compared with 831,190 barrels during the corresponding month in 1942. The daily average for the two periods was 26,435 barrels and 27,706 barrels, respectively.

Natural-gas production in Alberta during June 1943, amounting to 3,840,464 Mcf. (thousand cubic feet) showed a decrease of 3,789 Mcf. daily from June 1942, when 3,954,117 Mcf. were produced.

The total volume of crude oil and natural gasoline in storage in Alberta on July 1 was 459,840 barrels, or 30,799 barrels less than on July 1, 1942.

Refined petroleum stocks in Alberta on June 1, 1943, amounted to 1,232,967 barrels, compared with 1,208,676 barrels on June 1, 1942, an increase of 24,291 barrels.

There were 38 wells engaged in active drilling during June 1943, 14 of them in Turner Valley. Fifteen new licenses to drill were issued, and 13 new rigs were brought in. Drilling was completed on 12 wells, 2 of which were in Turner Valley, 4 in Vermilion, and 6 in other fields.

Turner Valley, near Calgary, is the principal source of oil and gas in Alberta. It has been reported that permits for drilling of 10 wells in Turner Valley have been issued by the Petroleum and Natural Gas Conservation Board. These wells are to be financed with Government money.

### Development of China's Liquid-Fuel Industry

Development of the liquid-fuel industry in China, with emphasis on petroleum products, is one of the outstanding projects of the Chinese National Resources Commission, says the British press.

Oil fields in Kansu were geologically surveyed in 1934 and 1937. Prospecting work was started by the Commission in 1938, and drilling work in 1939. Fourteen wells have already been sunk and all are producing oil. More wells will be sunk when new equipment can be obtained. Two refineries have been established, both of which are producing petrol and some paraffin and Diesel oil.

Production of alcohol and other gasoline substitutes is also being undertaken by the Commission, which is now operating 10 alcohol plants. Five of these are in Szechuan and one each in Yunnan, Kweichow, Kansu, Shensi, and Sikiang. These plants, it is said, can produce more than 3,000,000 gallons of ethyl alcohol a year.

A vegetable oil-cracking plant, the first of its kind ever established in China, has also been set up in Chungking, where tung (or wood) oil is treated for production of petroleum substitute and Diesel oil. Lubricating oils of various grades are also being produced.

A low-temperature coal-distillation plant has been established by the Commission in Western Szechuan, where bituminous coal of satisfactory quality is reported to have been found in large quantities. This plant is producing Diesel oil, crude phenol, and semicoke, in addition to a petroleum substitute which is claimed to possess a high octane number and to be good for aviation.

# Special Products

### Bermuda's Lily-Bulb Industry

The production of Bermuda's principal export crop, lily bulbs, increased from 1,500,000 bulbs in 1941 to 1,955,000 in 1942. Of the 1942 production, 1,200,000 bulbs were replanted and 775,000 exported.

Owing to the absence of Japanese competition, the export of lily bulbs from Bermuda reached a new high level in 1942. The value of exports was £29,004—nearly double the previous record established in 1941.

### Furniture Manufacture Reduced in U. K.

The British furniture industry is much smaller now than it was at the beginning of the war. At a furniture trade meeting held in London recently, one speaker stated that employment in the actual production of furniture now totals about 5,000, compared with approximately 120,000 before the war.

The only furniture being manufactured in England at present is "utility" furniture.

# Textiles and Related Products

## *Cotton and Products*

### Growing of Seed-Cotton in Paraguay

Although early estimates placed seed-cotton production in Paraguay at 18,000 metric tons, authorities now report that the 1943 production amounts to 22,560 metric tons. Of this quantity, 22,060

tons had already been delivered the first week in August, and it was expected that the remaining 500 tons, still in the hands of farmers or middlemen, would enter the gins by the end of the month.

Paraguay's 1943 seed-cotton production shows a slight increase over that of the preceding year, which amounted to 21,000 tons. The quality is reported to be somewhat better this year, although the staple has proved softer than in the past.

### *Silk and Products*

SERICULTURE IN SINKIANG, CHINA

Determined efforts are being exerted to build up sericulture in Sinkiang, China, reports the Chinese press. Yearly production at present is around 315 metric tons of cocoon silk.

To improve the quality, silkworm eggs were imported from the Soviet Union, and this year some mulberry saplings and 250 kilograms of eggs were obtained from the interior of China.

In 1941 exports of raw silk from Sinkiang were reported to be valued at $1,200,000 in United States currency.

### *Wool and Products*

WOOL MARKETING AND SHIPPING, URUGUAY

Wool entries on the Montevideo wool market during July aggregated 535.9 metric tons, making a total of 60,530 tons for the first 10 months of the wool season which began on October 1, 1942. This is 10,182.5 tons higher than the arrivals during the corresponding months of the preceding season.

From October 1, 1942, through July 31, 1943, exports amounted to 78,628 bales, compared with 53,500 bales in the corresponding period of 1941–42.

## Tobacco and Related Products

SITUATIONS IN TRINIDAD AND TOBAGO, B. W. I.

Tobacco production in Tobago and the Siparia district of Trinidad has been held to lower levels than usual because of continued shortage of agricultural labor.

Importation of foreign-manufactured cigarettes has been prohibited for local customs entry since June 1941, and there are now no American brands being sold by local grocers. American cigarettes and manufactured tobacco are available only at the bases which continue to supply an excellent market.

## South Africa's Chemical Industry

(Continued from p. 13)

amounted to $3,500,000, of which $2,000,000 originated in the United Kingdom, and $900,000 in the United States; perfumery and toilet preparations were valued at $1,300,000—including $900,000 from the United Kingdom, and $300,000 from the United States.

In the fertilizer trade, however, the United States was the larger supplier, being the source for $800,000 worth, whereas the United Kingdom furnished $500,000 worth, out of total imports valued at $2,800,000. Other countries had a greater participation in this business—Morocco with its phosphate rock, France with potash, and Canada and Belgium with ammonium sulfate, are examples.

Out of total receipts of pigments, paints, and varnishes, amounting to $2,600,000 in 1940, $1,400,000 worth came from the United Kingdom and $900,000 from the United States.

Of significance in the last year or so has been the greatly expanded chemical trade with Argentina, according to unofficial reports.

The table on page 13, showing imports of principal chemicals, also reveals the effect of the growth of chemical and other manufacture. Calcium carbide and superphosphate imports, for example, have declined because of expanded manufacturing facilities, despite increase in consumption. Imports of fertilizer materials and commodities for utilization in the preparation of paints have advanced, owing to the extension in the fertilizer and paint manufacturing industries.

### *Exports*

Although Africa is not a large chemical producing and exporting country, outgoing shipments of a comparatively few products, chiefly raw materials, aggregated $2,500,000 in 1940. The largest single item exported was calcium carbide, a commodity the manufacture of which has recently been expanded greatly. In 1940 exports of this item were valued at more than $600,000. Cattle dips—another product being made in appreciable amounts locally the last few years, and now shipped out of the territory—exceeded 12,000 gallons with a value of $125,000 in 1940. Medicinal preparations exported were valued at $100,000, and perfumery and toilet preparations at $75,000. Fertilizer shipments accounted for another $250,000. Considerable amounts of mineral-earth pigments produced locally are exported, which formed a large portion of the total exports of pigments, paints, and varnishes exceeding $200,000 in 1940. In contrast to the increases in exports of the foregoing products in recent years, foreign sales of soap decreased to a little less than $100,000—one-half the 1937 figure.

For the most part, chemicals were destined to Southern Rhodesia and other African areas, the exceptions being the calcium carbide and mineral-earth pigments going chiefly to the United Kingdom and other Empire countries.

## *Contributors' Column*

*Anna Hazel Swift* ("South Africa's Chemical Industry").—See the May 29, 1943, issue of FOREIGN COMMERCE WEEKLY.

*Sidney Zink* ("Brazil's Industry: War's Emergencies Spur Unprecedented Activity").—See the August 29, 1942, issue.

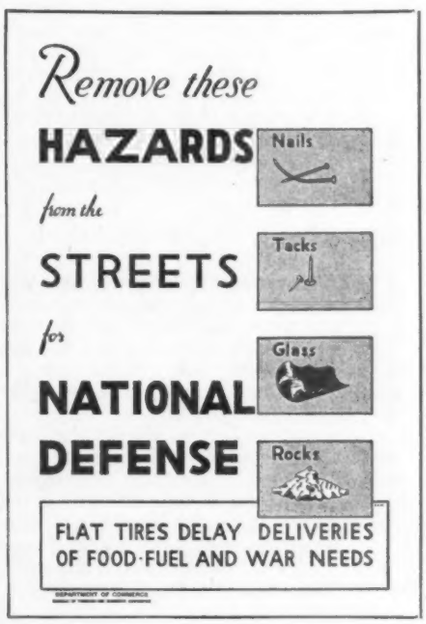
## U. S. Foreign Trade in July

Exports from the United States during July 1943 exceeded a billion dollars in value for the third consecutive month, according to the Bureau of the Census, United States Department of Commerce.

The July total of $1,251,000,000 represents an increase of 25 percent over the June 1943 export value of $1,004,000,000, and 92 percent over the $650,000,000 figure for the month of July 1942. July shipments bring the total value of exports for the first 7 months of 1943 to $6,738,000,000, which is more than $500,000,000 greater than the 1917 and 1918 annual totals of $6,234,000,000 and $6,149,000,000, respectively. The closest approach in previous years to the one-billion-dollar mark established in May 1943 was the $928,000,000 export total for June 1919.

Export totals exclude shipments to the armed forces abroad, but include Lend-Lease goods shipped to the United Nations. Figures recently released by the Office of Lend-Lease Administration reveal that, for the first 6 months of 1943, Lend-Lease shipments represented 78 percent of the total value of exports during that period.

The total value of "general imports (arrivals)" of merchandise into the United States for the month of July 1943 was $300,000,000, a decrease of 1 percent below the June import total of $302,239,000. The July 1943 imports showed a 41 percent increase over the July 1942 value



of $213,210,000. "Imports for consumption" for July 1943 were valued at $303,512,000, a decrease of 1 percent from the June 1943 total of $307,463,000. The July 1943 imports-for-consumption total showed a 45 percent increase over the July 1942 value of $209,000,000.

Summary figures on exports and imports, including revised 1942 monthly figures, are as follows:

[In thousands of dollars]

| Period | Exports | | Imports | |
|---|---|---|---|---|
| | Total (including re-exports) | United States merchandise | General (arrivals) | Imports for consumption |
| 1942: | | | | |
| January | 481,463 | 475,205 | 253,546 | 256,040 |
| February | 479,993 | 476,357 | 253,609 | 239,592 |
| March | 627,603 | 621,574 | 272,190 | 252,109 |
| April | 716,774 | 709,077 | 234,870 | 223,604 |
| May | 535,652 | 529,701 | 190,791 | 191,974 |
| June | 648,224 | 642,832 | 214,746 | 199,708 |
| July | 649,926 | 645,009 | 213,210 | 209,249 |
| August | 703,096 | 696,245 | 186,323 | 184,766 |
| September | 732,014 | 725,896 | 196,033 | 196,755 |
| October | 801,382 | 794,258 | 199,750 | 223,409 |
| November | 786,860 | 780,753 | 168,079 | 186,715 |
| December | 873,145 | 864,866 | 358,787 | 507,417 |
| January–December | 8,036,132 | 7,961,773 | 2,741,934 | 2,771,344 |
| 1943: | | | | |
| January | 694,348 | 687,732 | 228,214 | 245,588 |
| February | 669,331 | 661,545 | 233,959 | 245,173 |
| March | 927,116 | 912,675 | 249,240 | 263,992 |
| April | [1]1,123,766 | 1,115,013 | 257,891 | 267,771 |
| May | 1,069,259 | 1,060,540 | 280,883 | 284,959 |
| June | 1,003,514 | 997,435 | 302,239 | 307,463 |
| July | 1,250,525 | 1,242,766 | 300,286 | 303,512 |
| Cumulative totals: January–July— | | | | |
| 1942 | 4,139,635 | 4,099,755 | 1,632,962 | 1,572,282 |
| 1943 | 6,737,859 | 6,677,706 | 1,852,712 | 1,918,458 |

[1] April export figures include $160,000,000 actually shipped in January, February, and March.

## Latin-American Exchange Rates

FOREIGN COMMERCE WEEKLY is in process of altering the method of presentation of the weekly table of "Latin American Exchange Rates," with a view to making this feature more concise and readily usable. The table in its new form will appear in next week's issue of this magazine.

## Sugar Situation in "Manchukuo"

The cultivation of sugar beets in "Manchukuo" seems to have progressed steadily in the years 1932–33 to 1938–39. The yield for 1932–33 amounted to 1,984 short tons, compared with 17,128 tons in 1938–39. The 1939–40 yield was estimated at 19,840 tons.

"Manchukuo" has always imported sugar, as its production amounted to only 10 or 15 percent of the consumption.

Imports of sugar in 1939 totaled 198,000 short tons, nearly all of which came from Japan proper, Taiwan, and Chosen. Sugar imports in 1939 showed a decrease of 67,000 tons, from the 1938 imports of 265,000 tons.

# Announcements Under the Reciprocal Trade Agreements Act

# Trade Agreement Calendar

## Trade Agreements Signed

| Country | Date signed | Date effective |
|---|---|---|
| Cuba | Aug. 23, 1934 | Sept. 3, 1934 |
| Belgium (and Luxemburg) | Feb. 27, 1935 | May 1, 1935 |
| Haiti | Mar. 28, 1935 | June 3, 1935 |
| Sweden | May 25, 1935 | Aug. 5, 1935 |
| Brazil | Feb. 2, 1935 | Jan. 1, 1936 |
| Canada (see revised agreement below) | Nov. 15, 1935 | Do. |
| Kingdom of the Netherlands (Netherlands in Europe, Netherlands India, Surinam, and Curaçao | Dec. 20, 1935 | Feb. 1, 1936 |
| Switzerland | Jan. 9, 1936 | Feb. 15, 1936 |
| Honduras | Dec. 18, 1935 | Mar. 2, 1936 |
| Colombia | Sept. 13, 1935 | May 20, 1936 |
| Guatemala | Apr. 24, 1936 | June 15, 1936 |
| France and its colonies, dependencies, and protectorates other than Morocco | May 6, 1936 | Do. |
| Nicaragua [1] | Mar. 11, 1936 | Oct. 1, 1936 |
| Finland | May 18, 1936 | Nov. 2, 1936 |
| El Salvador | Feb. 19, 1937 | May 31, 1937 |
| Costa Rica [2] | Nov. 28, 1936 | Aug. 2, 1937 |
| Czechoslovakia [1] | Mar. 7, 1938 | Apr. 16, 1938 |
| Ecuador | Aug. 6, 1938 | Oct. 23, 1938 |
| United Kingdom, including Newfoundland and the British Colonial Empire | Nov. 17, 1938 | Jan. 1, 1939 |
| Canada (revision of agreement of 1935) | do | Do. |
| Turkey | Apr. 1, 1939 | May 5, 1939 |
| Venezuela | Nov. 6, 1939 | Dec. 16, 1939 |
| Cuba (supplementary agreement) | Dec. 18, 1939 | Dec. 23, 1939 |
| Canada (supplementary agreement) [3] | Dec. 30, 1939 | Jan. 1, 1940 |
| Canada (supplementary agreement) | Dec. 13, 1940 | Dec. 20, 1940 |
| Argentina | Oct. 14, 1941 | Nov. 15, 1941 |
| Cuba (supplementary agreement) | Dec. 23, 1941 | Jan. 5, 1942 |
| Peru | May 7, 1942 | July 29, 1942 |
| Uruguay | July 21, 1942 | Jan. 1, 1943 |
| Mexico | Dec. 23, 1942 | Jan. 30, 1943 |
| Iran | Apr. 8, 1943 | [4] |
| Iceland | Aug. 27, 1943 | [5] |

[1] The duty concessions and certain other provisions of this agreement ceased to be in force as of Mar. 10, 1938.

[2] The operation of this agreement was suspended as of Apr. 22, 1939.

[3] Superseded by supplementary agreement signed Dec. 13, 1940.

[4] Thirty days after exchange of proclamation (by the President of the United States) and ratification (by the National Assembly of Iran).

[5] Thirty days after completion of necessary formalities by the Government of Iceland, proclamation by the President of the United States, and exchange of appropriate instruments.

Summaries of the provisions of each individual agreement are published in FOREIGN COMMERCE WEEKLY promptly after signing. Complete files of the official analysis of each of the agreements, as well as the summaries published by this Department, are available for examination at all field offices of the Department of Commerce. Copies of such analyses or summaries for any particular agreement, figures for the United States trade with "Agreement Countries," and general information regarding the aims, procedure, and operation of the Reciprocal Trade Agreements Program may be obtained from the Trade Agreements Unit of the Bureau of Foreign and Domestic Commerce at Washington.

[A compilation of all changes in the import duties of the United States since the passage of the Tariff Act of 1930, including all duty reductions or bindings by the United States under the trade agreements signed to date, arranged by schedules and paragraphs of the Tariff Act has been prepared by the U. S. Tariff Commission in the form of a pamphlet. This is obtainable from the Superintendent of Documents, Washington, D. C., for 25 cents per copy.]

## Countries With Which Intention To Negotiate Has Been Announced

| Country | Date of issuance of notice | Latest date for submitting written statements | Date for oral presentation of views |
|---|---|---|---|
| Bolivia | Apr. 4, 1942 | May 4, 1942 | May 18, 1942 |
| Paraguay | June 23, 1943 | July 23, 1943 | Aug. 4, 1943 |

Detailed information, trade figures, and copies of the lists of products to which the United States announced it would give consideration for concessions, at the time of giving formal notice of intention to negotiate with each of the above countries, are available upon request to the Trade Agreements Unit, Bureau of Foreign and Domestic Commerce, or any of the field offices of the Department of Commerce, as well as from the Committee for Reciprocity Information or the Department of State.]

NOTE.—The above Trade Agreements Calendar will appear, for the present, in the issue nearest the middle of the month of FOREIGN COMMERCE WEEKLY, instead of each week as formerly.

Today's Advertising
Will Keep You Tuned Up
for Tomorrow's
BIGGER DRIVE

## Texas-Mexico Good-Neighbor Move

A new act, just passed by the State Legislature of Texas, provides that the State Highway Commission of Texas may exchange engineering employees with the Republic of Mexico in order to promote better understanding between the peoples of the two neighboring regions and as a practical demonstration of the Good-Neighbor spirit.

The bill provides that the State Highway Commission shall employ, for periods of 6 months, five engineers or engineering students from Mexico and shall pay such employees from the State highway funds, provided the Republic of Mexico will employ an equal number of the engineers from the Texas Highway Department for similar work and pay them for their services for similar periods of time.

The bill states:

This exchange of engineering employees with the Republic of Mexico for short periods of time will give the Texas Highway Commission an opportunity to assist the Federal Government in fostering and cementing closer and more harmonious relations with our neighbors on the South, and, further, it will give the Texas Highway Department and the Republic of Mexico the opportunity to study highway engineering and construction methods employed by the other.

# Trade Mark Applications

*Argentina.*—The following applications for trade-mark registration were published in the Boletín Oficial of August 18, 1943. Opposition must be filed before September 20, 1943.

| Trade-mark: | *Class No. and commodity* |
|---|---|
| Ines | No. 16—Children's and baby clothes. |
| Corona | No. 22—Entire class. |
| Ey-Teb | No. 16—Entire class. |
| Nevada | No. 10—Entire class. |

*Uruguay.*—The following applications for trade-mark registration were published in the Diario Oficial of Montevideo, on the dates noted. Opposition must be filed within 30 days from the date of publication.

| Trade-mark | Product | Date of publication |
|---|---|---|
| | | *1943* |
| Artagnan | Groceries and foodstuffs. | Aug. 16 to 21. |
| Noli | Classes 1, 9, 10, and 13. | Do. |
| Kali | Perfumery and toilet. | Do. |
| Chance | Perfumery and toilet | Do. |
| Jockey Club | do | Do. |
| Poignard | Hardware and bazar, arms. | Do. |
| Oregon | Groceries and foodstuffs. | Do. |
| Broen | Scientific instruments except photographic and optical. | Do. |
| Celo-Gum | Paper, stationery, books, printing, etc. | Do. |
| Den-Tiazol | Drugstore and chemical products. | Do. |
| Burn | Building material | Do. |
| Perboralozonal | Perfumery and toilet, soap, candles, matches. | Do. |
| Alcolina | Fuel | Do. |
| Urifan B | Drugstore and chemical products. | Do. |
| Westen | Paper, stationery, books, printing, etc. | Do. |
| Meko | Groceries and foodstuffs. | Do. |

# New Books and Reports

★ The following publications, added to the Department's research facilities, through the courtesy of the authors and publishers, are listed as a service to businessmen. *Please note:* The Department has no copies of private publications for distribution and cannot be responsible for their content. For private publications, write direct to the publishing agency given in each case.

*Articles of Current Interest Appearing in the Department of State Bulletin August 28, 1943*

Copies of this publication, which is issued weekly by the Department of State, may be obtained from the Superintendent of Documents, Government Printing Office, Washington, D. C., for the price of 10 cents each; subscription price, $2.75 a year. The August 28 issue contains these articles:

THE QUEBEC CONFERENCE.

ADDRESS BY THE PRESIDENT BEFORE THE CANADIAN PARLIAMENT AT OTTAWA.

LEND-LEASE OPERATIONS: LETTER OF THE PRESIDENT TO CONGRESS TRANSMITTING THE ELEVENTH QUARTERLY REPORT.

RECOGNITION OF THE FRENCH COMMITTEE OF NATIONAL LIBERATION: STATEMENT BY THE PRESIDENT.

RADIO ADDRESS BY THE FORMER AMERICAN AMBASSADOR TO JAPAN.

OFFICE OF FOREIGN RELIEF AND REHABILITATION OPERATIONS: REPORT ON ACTIVITIES OF MEDICAL PERSONNEL IN NORTH AFRICA.

THE PROCLAIMED LIST: CUMULATIVE SUPPLEMENT 5 TO REVISION V.

RADIO ADDRESS BY ASSISTANT SECRETARY BERLE ON THE INTER-AMERICAN UNIVERSITY OF THE AIR.

TRADE AGREEMENT WITH ICELAND: ANALYSIS OF GENERAL PROVISIONS AND RECIPROCAL BENEFITS.

CREATION OF THE WAR COMMODITIES DIVISION AND THE BLOCKADE AND SUPPLY DIVISION IN THE OFFICE OF FOREIGN ECONOMIC COORDINATION, DEPARTMENT OF STATE.

ABOLISHMENT OF THE DIVISION OF FOREIGN FUNDS CONTROL, DEPARTMENT OF STATE.

VISAS FOR OFFICIALS OF FOREIGN GOVERNMENTS.

DEATH OF FREDERCK P. HIBBARD.

*Other Publications*

FIBER PRODUCTION IN THE WESTERN HEMISPHERE. U. S. Department of Agriculture. 1943. 95 pp. Miscellaneous Publication No. 518. Price, 30 cents.

*Available from:* Superintendent of Documents, Washington 25, D. C.

ICELAND AND GREENLAND. The Smithsonian Institution. 1943. 109 pp. Illus. War Background Studies No. 15.

*Available gratis from:* The Smithsonian Institution, Washington 25, D. C.

A SURVEY OF LITERATURE ON POSTWAR RECONSTRUCTION. Institute on Postwar Reconstruction. 1943. 100 pp. Price, $1. Demonstrates the surprisingly large extent to which views on post-war reconstruction are based on a common ground, and shows, by a section devoted to Britain's plans, that a community of outlook exists in the great Anglo-Saxon countries.

*Available from:* Institute on Postwar Reconstruction, New York University, Washington Square, New York, N. Y.

CLINCHING THE VICTORY. Eldon Griffin. 1943. 365 pp. Price, $2. A timely examination of wartime preparations for post-war arrangements. Includes numerous suggestions on matters vitally important in the changing domestic life and the challenging external relations of the United States. Deals also with questions of *immediate* consequence to every American and to other United Nations peoples.

*Available from:* Wilberlilla Publishers, 1211 Twenty-First Avenue North, Seattle 2, Wash.

WAR'S END AND AFTER. Stuart Chevalier. 1943. 348 pp. Price, $2.75. An informal discussion of the problems of a post-war world, projected into a time after the war's end. Attempts to outline the political, the economic, and the moral issues which will arise, and to suggest possible solutions.

*Available from:* The Macmillan Co., 60 Fifth Avenue, New York 11, N. Y.

THE DIAMOND INDUSTRY IN 1942. Sydney H. Ball. 1943. 18th annual review. 19 pp.

*Available from:* The Jewelers' Circular-Keystone, 100 East Forty-Second Street, New York, N. Y.

HONG KONG AFTERMATH. Wenzell Brown. 1943. 283 pp. Price, $1. The story of the siege of Hong Kong and of life in a Japanese prison camp after the city fell. The author, who served as a special guard on the British transport trucks bringing up supplies to the front lines, was taken into custody by the Japanese while in active service. He narrowly escaped death several times and was critically ill, and was one of the group of exchange prisoners to return to America on the *Gripsholm*.

*Available from:* Smith & Durrel, Inc., 25 West 45th Street, New York, N. Y.

ECUADOR. Albert Franklin. 1943. 326 pp. Illus. Price, $3.50. Describes the topography of the country, with comments on the effect it has on the development of Ecuadoran life and the problem of the peasant farmer. Discusses the people, local customs, politics, and personalities. Traces the route of the Pan-American Highway in Ecuador and discusses the contribution it will make to the national life and to international amity. The book contains a mixture of myth, legend, and fact which make up the tradition of the country.

*Available from:* Doubleday, Doran & Co., Inc., 14 West 49th Street, New York, N. Y.

GEOGRAPHY OF LATIN AMERICA. Fred A. Carlson. 1943. 566 pp. Rev. ed. Illus. Price, $6. Discusses each country with regard to its national character as well as its world relations. New material is included on the cultural heritage and on changes in the political pattern of Latin America. Tables, graphs, and other statistical material have been brought up to, and include in some cases, the early part of World War II. Maps in color of South America, Central America, Mexico, and the West Indies have been added.

*Available from:* Prentice-Hall, Inc., 70 Fifth Avenue, New York, N. Y.

# U. S. Export Control and Related Announcements

Developments communicated to the Trade Controls Unit up to Tuesday, September 7, 1943.

No. 484—*Current Export Bulletin No. 117*

The Office of Exports has issued Current Export Bulletin No. 117, on the following subjects:

I. Change in Wording of Priority Rating Legend.

II. Belgian Congo Program License —Term of Validity of Release Certificates Extended.

III. Program License Authorizing Exportations to French Equatorial Africa.

IV. Program License Authorizing Exportations to French Camerouns.

V. Extension of expiration date of all second quarter Import Recommendations for Venezuela.

VI. Changes in List of Commodities Excepted from the General License for Shipments Valued at $25 or Less.

VII. Farm Machinery and Equipment Built Under War Production Board Order L–257A—Method for Applying for License or Release Certificate to Export.

VIII. Consolidation on License Applications of *Parts* for Farm Machinery, *Parts* for Tracklaying Tractors, and *Parts* for Allied Equipment.

*I. Change in Wording of Priority Rating Legend.*

Certain licenses heretofore issued on which preference ratings were assigned by the Office of Economic Warfare contained the statement, in the priority rating stamp, that "Applications and extensions of the rating shall be made in accordance with Priorities Directive No. 3." The reference to "Priorities Directive No. 3" in the rating stamp is inappropriate. The statement should read: "Applications and extensions of the rating shall be made in accordance with Priorities Regulation No. 3 as modified by the provisions of General Exports Order M–148." All licenses outstanding in which the priority rating stamp contains reference to "Priorities Directive No. 3" are, therefore, amended accordingly.

In extending the rating the licensee shall use the certification (see Comprehensive Export Schedule No. 11, p. 101, par. 9), as specified in General Exports Order M–148, which reads as follows:

> The undersigned hereby represents to the seller and the War Production Board that he is entitled to apply the preference ratings indicated opposite the items shown on this purchase order, pursuant to an assignment thereof by the Office of Economic Warfare upon Export License No. ----------, and that this purchase order is subject to the provisions of General Exports Order No. M–148. This material is to be charged to the period: ---------- to ----------
>
> ---------- ----------
> (Name) (Address)
>
> ----------
> (Date)
>
> By ----------
> (Signature and title of duly authorized officer)

The sentence in the certification reading: "This material is to be charged to the period: ---------- to ----------" shall be filled in with the period given on the Office of Economic Warfare priority rating legend. If no period is given on the priority rating legend, this sentence in the certification should be left incomplete.

*II. Belgian Congo Program License—Term of Validity of Release Certificates Extended.*

All release certificates, issued on or after April 1, 1943, pursuant to the Belgian Congo Program License (see Current Export Bulletin No. 90), will remain valid for 1 year from date of issuance.

*III. Program License Authorizing Exportations to French Equatorial Africa.*

A. *The Program.*—Effective August 18, 1943, a program license has been issued to the Delegation of the French National Committee in the United States authorizing the exportation to French Equatorial Africa of specific kinds and quantities of commodities for specified uses. Therefore, after August 18, 1943 no individual licenses should be submitted covering exports to this destination (this provision does not apply to licenses submitted for ship stores and bunker fuel, "SP" licenses, and licenses for technical data). Clearance of exportations of commodities to French Equatorial Africa under this license will be authorized by the issuance of release certificates by the Office of Exports, Office of Economic Warfare. (See Current Export Bulletins Nos. 81 and 97 for the general provisions and information pertaining to program licenses.)

B. *Revocation of Certain General Licenses.*—1. General licenses authorizing the exportation of commodities to French Equatorial Africa will be cancelled as of August 31, 1943, including the special general license provision for medicinals. However, certain general licenses which will be in effect after August 31, 1943 are:

(*a*) General License GUS.
(*b*) General licenses for shipments valued at $25 or less, or at $1 or less (as the case may be).
(*c*) Personal baggage.
(*d*) Ship stores.
(*e*) Plane stores.
(*f*) Fuel and supplies.
(*g*) Return of empty containers.
(*h*) Technical data.
(*i*) Newspapers and publications.
(*j*) Metal drums and containers.
(*k*) Photographic film, plates and paper.

2. Shipments of commodities to French Equatorial Africa which are on dock, on lighter, laden aboard the exporting carrier or in transit to a port of exit pursuant to an actual order for export prior to August 31, 1943, may be exported under the previous general license provisions. Shipments moving to a vessel subsequent to August 31, 1943, pursuant to ODT permits issued prior to this date may also be exported under the previous general license provisions.

C. *Individual Licenses.*—After August 18, 1943, no further applications should be submitted for individual licenses to export commodities to French Equatorial Africa. All individual license applications pending on August 18, 1943, will be considered by the Office of Exports as applications for release certificates under the program license. All outstanding individual licenses for export to these destinations, issued after December 30, 1942, will remain valid for 1 year from date of issuance as announced in Current Export Bulletin No. 103.

D. *Exportations Under Program License.*—1. The Office of Economic Warfare will act as the certifying agency issuing release certificates for all exportations to French Equatorial Africa. Release certificates will remain valid for 1 year from the date of issuance. Applications for release certificates shall be made on Form BEW 119. This form is to be submitted in triplicate unless the applicant also requires a preference rating or other WPB release, in which case the quadruplicate should also be submitted. Inquiries concerning the status of release certificate applications should be addressed to the Office of Exports, Office of Economic Warfare, Washington 25, D. C.

2. The Delegation of the French National Committee in the United States will examine all release certificate applications before they are certified by the Office of Exports; for convenience, therefore, such applications should be sent directly to the Delegation of the French National Committee in the United States at 626 Fifth Avenue, New York. N. Y.

3. No exportation may be made under this program license with the knowledge or intention that the commodities covered thereby are to be reexported from French Equatorial Africa unless the reexportation has been authorized by the Office of Exports.

E. *Appeals.*—An exporter whose application for a release certificate or for an extension thereof has been rejected, or whose release certificate has been revoked, may file an appeal from such rejection or revocation with the Office of Exports, Office of Economic Warfare, Washington 25, D. C. In filing an appeal, the same procedure shall be followed as is presently in effect for appealing a rejected license application (Comprehensive Export Schedule No. 11, p. 91, par. 26).

*IV. Program License Authorizing Exportations to French Camerouns.*

A. *The Program.*—Effective August 18, 1943, a program license has been issued to the Delegation of the French National Committee in the United States authorizing the exportation to French Camerouns of specific kinds and quantities of commodities for specified end uses. Therefore, after August 18, 1943, no individual licenses should be submitted covering exports to this destination (this provision does not apply to licenses submitted for ship stores and bunker fuel, "SP" licenses, and licenses for technical data). Clearance of exportations of commodities to French Camerouns under this license will be authorized by the issuance of release certificates by the Office of Exports, Office of Economic Warfare. (See Current Export Bulletins Nos. 81 and 97 for the general provisions and information pertaining to program licenses.)

B. *Revocation of Certain General Licenses.*—1. General licenses authorizing the exportation of commodities to French Camerouns will be canceled as of August 31, 1943, including the special general license provision for medicinals. However, certain general licenses which will be in effect after August 31, 1943, are:

(*a*) General License GUS.
(*b*) General licenses for shipments valued at $25 or less, or at $1 or less (as the case may be).
(*c*) Personal baggage.
(*d*) Ship stores.
(*e*) Plane stores.
(*f*) Fuel and supplies.
(*g*) Return of empty containers.
(*h*) Technical data.
(*i*) Newspapers and publications.
(*j*) Metal drums and containers.
(*k*) Photographic film, plates and paper.

2. Shipments of commodities to French Camerouns which are on dock, on lighter,

laden aboard the exporting carrier or in transit to a port of exit pursuant to an actual order for export prior to August 31, 1943, may be exported under the previous general license provisions. Shipments moving to a vessel subsequent to August 31, 1943, pursuant to ODT permits issued prior to this date may also be exported under the previous general license provision.

C. *Individual Licenses.*—After August 18, 1943, no further applications should be submitted for individual licenses to export commodities to French Camerouns. All individual license applications pending on August 18, 1943, will be considered by the Office of Exports as applications for release certificates under the program license. All outstanding individual licenses for export to these destinations, issued after December 30, 1942, will remain valid for 1 year from date of issuance as announced in Current Export Bulletin No. 103.

D. *Exportations Under Program License.*—1. The Office of Economic Warfare will act as the certifying agency issuing release certificates for all exportations to French Camerouns. Release certificates will remain valid for 1 year from the date of issuance. Applications for release certificates shall be made on Form BEW 119. This form is to be submitted in triplicate unless the applicant also requires a preference rating or other WPB release, in which case the quadruplicate should also be submitted. Inquiries concerning the status of release certificate applications should be addressed to the Office of Exports, Office of Economic Warfare, Washington 25, D. C.

2. The Delegation of the French National Committee in the United States will examine all release certificate applications before they are certified by the Office of Exports; for convenience, therefore, such applications should be sent directly to the Delegation of the French National Committee in the United States at 626 Fifth Avenue, New York, N. Y.

3. No exportation may be made under this program license with the knowledge or intention that the commodities covered thereby are to be reexported from French Camerouns unless the reexportation has been authorized by the Office of Exports.

E. *Appeals.*—An exporter whose application for a release certificate or for an extension thereof has been rejected, or whose release certificate has been revoked, may file an appeal from such rejection or revocation with the Office of Exports, Office of Economic Warfare, Washington, D. C. In filing an appeal, the same procedure shall be followed as is presently in effect for appealing a rejected license application (Comprehensive Export Schedule No. 11, p. 91, par. 26).

### *V. Extension of Expiration Date of All Second Quarter Import Recommendations for Venezuela.*

A considerable number of second quarter Import Recommendations from Venezuela were transmitted to the Office of Economic Warfare a few days prior to June 30, expiration date of the second quarter. This was due to late announcement of CMP estimates of supply and certain difficulties encountered by the Venezuelan Import Control Commission.

In order to facilitate the operation of the Decentralization Plan in Venezuela it has been arranged that license applications covering these Import Recommendations may continue to be submitted during the third quarter. Such applications should, however, be sent to the Office of Exports at the earliest possible moment.

### *VI. Changes in List of Commodities Excepted From the General License for Shipments Valued at $25 or Less.*

The following changes will be effective September 1, 1943, in title D, "Shipments Valued at $25 or Less," on pages 78 to 80 of the Comprehensive Export Schedule No. 11.

A. The articles and materials indicated below are added in paragraph *a* to the list of commodities which may be exported under general license in quantities valued at more than $1.

| *Commodity* | *Schedule B Number* |
|---|---|
| After ascorbic acid add—and salts | 8119.98 |
| Bismuth metal, salts, and compounds | 6649.10 |
| | 8135.98 and 8396.30 through 8396.98 |
| After cacodylic acid add—and salts | 8135.98 |
| Hypodermic needles and surgeons' needles | 9157.00 |
| Niacin an niacin amide (nicotinic acid and Amide) | 8119.98 |
| Nikethamide | 8135.98 |
| Pamaquine naphthoate (plasmochin) | 8127.98 |
| Quinacrine hydrochloride (atabrine) | 8127.98, 8135.98 |
| Soap | 8710.00 through 8729.00 |

Shipments of the above commodities, which were on dock, on lighter, laden aboard the exporting carrier, or in transit to ports of exit pursuant to actual orders for export prior to the effective date of change may be exported under the previous general license provisions. Shipments moving to a vessel subsequent to the effective date of change pursuant to ODT permits issued prior to such date may also be exported under the previous general license provisions.

B. In paragraph *a* delete the asterisks indicating forms, conversions, and derivatives of the following excepted commodities:

Ascorbic acid .
Cacodylic acid.
Pyridoxine hydrochloride.
Riboflavin.
Thiamine hydrochloride.

C. In paragraph *a* delete "except Bismuth subgallate" which appears after Gallic acid. Also delete Atabrine, Nicotinic acid and plasmochin, which are now to be listed under their new names (par. A above).

D. In paragraph *b* delete:

| | |
|---|---|
| Atropine. | Homatropine. |
| Belladonna. | Hyoscine. |
| Caffein. | Hyoscyamus. |

### *VII. Farm Machinery and Equipment Built Under War Production Board Order L–257A—Method for Applying for License or Release Certificate to Export.*

Manufacturers of farm machinery and equipment shall submit license applications or release certificate applications (under a program license) in accordance with the following procedure for proposed exportations of farm machinery, equipment, and repair parts built under War Production Board Order L–257A. The procedure covers all farm equipment listed in Schedule A of WPB Order L–257 (except horseshoes and horseshoe nails) regardless of Department of Commerce Schedule B numbers.

Applications for such licenses or release certificates submitted by a manufacturer must be accompanied by a signed statement in duplicate as follows, giving the information requested:

(1) Net shipping weight of export quota assigned to applicant for country of destination. ---------

(2) Total net shipping weight of all charges against applicant's quota for country of destination since July 1, 1943, exclusive of pending applications for licenses or release certificates. ---------

(3) Net shipping weight of applications by applicant pending action to country of destination, including this application. ---------

(4) Net shipping weight of this application. ---------

The statements made above are to be considered a part of our attached export license or release certificate application covering equipment, the production of which is authorized by War Production Board Limitation Order L–257A.

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(Signature of applicant)

An exporter who is not a manufacturer of farm machinery and equipment may submit an application for a license or a release certificate to export such farm machinery built under War Production Board Order L–257A but must accompany every such application with a letter from a manufacturer authorizing the applicant to charge the material against his (the manufacturer's) quota for export to the country of destination. The manufacturer must also state that the quantity of material covered by the order is within his quota for export to the country of destination and he must agree to include the order as a charge against such quota when submitting any subsequent applications.

It should be noted that in contrast with the procedure under War Production Board Order L–170, the accounting under Order L–257A will be kept in tonnage rather than dollars and will include all items manufactured under the limitation order (except horseshoes and horseshoe nails) instead of only a part of such items.

Inasmuch as Orders L–170 and L–257A will be in effect concurrently between July 1, 1943, and September 30, 1943, applicants for export licenses or release certificates should exert extreme care in segregating applications under each of these orders so that no confusion will result. Applications to export farm equipment built under Order L–170 are still to be submitted in the manner outlined on page 95 of Comprehensive Export Schedule No. 11. After September 30, 1943, applications will be accepted for shipments under L–257–A quotas only. The reporting requirements set forth in this bulletin have been approved by the Bureau of the Budget.

### *VIII. Consolidation on License Applications of Parts for Farm Machinery, Parts for Tracklaying Tractors, and Parts for Allied Equipment.*

Subject VII of Current Export Bulletin 72 and Subject VII of Current Export Bulletin 84 are amended to read as follows:

Effective immediately, manufacturers of farm machinery, tracklaying tractors, or allied equipment, who wish to export replacement parts *for products of their own manufacture* to any one consignee may file a single license application to include any number of such related parts.

Although these related parts may be classified under different Department of Commerce Schedule B numbers, it will be permissible to include them under the appropriate Schedule B number for parts with respect to certain classes of equipment.

As an example, a single application may be filed covering tracklaying tractor equipment parts which shall be identified by Schedule B No. 7889.01, and which may include such related commodities as rubber fan belts, cork, gaskets, or other commodities when they are to be shipped by the tractor manufacturer as tractor equipment replacement parts. Similarly, single applications may be filed to cover related harvesting and cultivating equipment replacement parts under No. 7899.05, and road equipment replacement parts under No. 7228.00.

When such replacement parts for the manufacturer's product are included in a single application, the total quantity of parts to be shipped and their net weight and the total value of the parts must be shown, as well as a statement that the parts are for use only as replacements in equipment manufactured by the applicant.

This change in procedure makes it unnecessary for the manufacturer to list in detail different items of such replacement parts.

If the parts for which an application is to be filed under this procedure are included on more than one import recommendation, the applicant should attach all the No. 4 copies of the import recommendations to his license application. He should make certain that the parts listed on the license application coincide with those listed on the import recommendations.

C. VICTOR BARRY,
*Chief of Office,*
*Office of Exports.*

NOTE.—Current Export Bulletins are issued by the Office of Exports for the guidance of all concerned with Export regulations and interpretations. The Bulletins supplement the Comprehensive Export Schedules. Copies of the Comprehensive Export Schedules may be obtained from the Superintendent of Documents, Government Printing Office, Washington, D. C., at a cost of 20 cents per copy or $1 for six issues.

## No. 485—*Current Export Bulletin No. 118*

The Office of Exports has issued Current Export Bulletin No. 118 on the following subject:

EXPORTS TO MEXICO

Under the agreement reached for putting the Decentralization Plan into operation for Mexico, it was arranged that the Comite Coordinador de las Importaciones (the country agency in Mexico) would issue Export Recommendations for all shipments of commodities as listed in Current Export Bulletin No. 104. It was further agreed that beginning September 1, 1943, licenses would not be granted for the exportation of these commodities without export recommendations.

It was announced in the same bulletin that on and after September 1, 1943, all Certificates of Necessity issued by the Comite Coordinador de las Importaciones de Mexico would be considered cancelled and that thereafter Export Recommendations must accompany applications for export licenses covering those materials listed for which Certificates of Necessity were previously submitted.

Exporters are hereby notified that the validity of Certificates of Necessity issued by the above Agency will be extended to September 30, 1943, after which date Export Recommendations must accompany applications for export licenses for such materials.

It was announced in Bulletin No. 104 that "all general licenses under which commodities may now be exported to Mexico will remain in effect." Exporters are advised that this statement was not wholly correct inasmuch as the list of commodities in Bulletin No. 104 specified as requiring Export Recommendations after September 1, 1943, included certain items exportable under general license. These certain items will require individual licenses for exportation to Mexico, effective September 1, 1943. Beginning October 1, 1943, any of these commodities which are Class B Products will also require export recommendations.

The following is a list of changes in General License. It is to be noted that this list does not in any way supersede the list of commodities as set forth in Bulletin No. 104.

| Commodity | Department of Commerce Schedule B number | General license group—old | General license group—new |
|---|---|---|---|
| Abrasive manufactures: | | | |
| Grindstones (include pulpstones) | 5406.00 | K | K-17 |
| Natural abrasives, hones, whetstones, etc., n. e. s. (include infusorial and diatomaceous earth, flint, rottenstone, tripoli and garnet) | 5409.98 | K | K-17 |
| Art works: | | | |
| Paintings, etchings, engravings, statuary, and antiques (include valuable manuscripts) | 9610.00 | K | K-17 |
| Buttons: | | | |
| Buttons and parts of other material (include metal) | 9712.00 | K | K-17 |
| Button parts, backs, blanks and molds (specify type of article) | 9713.00 | K | K-17 |
| Clay and clay products: | | | |
| Electric porcelain for less than 6600 volts | 5335.00 | K | K-17 |
| Electric porcelain for 6600 volts and over | 5336.00 | K | K-17 |
| Cotton manufactures: | | | |
| Bed sheets and pillow cases | 3178.00 | K | K-17 |
| Bedspreads, candlewick, chenille, and tufted | 3175.00 | K | K-17 |
| Blankets | 3171.00 | K | K-17 |
| Boys' clothing of woven fabrics, n. e. s. (include bathrobes, seersucker suits and slacks, and boys' play suits, overalls, etc.) | 3120.98 | K | K-17 |
| Broadcloth, carded, bleached | 3048.00 | K | K-17 |
| Broadcloth, dyed in the piece | 3049.10 | K | K-17 |
| Broadcloth, printed | 3049.20 | K | K-17 |
| Chambrays, cheviots, and shirtings | 3060.00 | K | K-17 |
| Cheese cloth and gauze, bleached or dyed (full piece) | 3050.00 | K | K-17 |
| Children's outerwear, not knit | 3127.00 | K | K-17 |
| Cloth, grey, cotton, n. e. s. | 3039.00 | K | K-17 |
| Clothing, men's, of woven fabrics, n. e. s. | 3120.05 | K | K-17 |
| Combed and carded goods, n. e. s. | 3074.00 | K | K-17 |
| Curtains and draperies (include cotton bath curtains) | 3181.00 | K | K-17 |
| Denims | 3057.00 | K | K-17 |
| Dresses and ensembles, women's (include eyelet, velveteen and lace) | 3122.00 | K | K-17 |
| Fabrics, colored yarn, n. e. s. (include seersucker and tickings, n. e. s) | 3061.00 | K | K-17 |
| Fabrics, cotton and rayon mixture | 3079.00 | K | K-17 |
| Fabrics, cotton and wool mixture | 3076.00 | K | K-17 |
| Fabrics, knit in the piece | 3080.00 | K | K-17 |
| Gloves, dress and all other (woven or knit) (include children's mittens) | 3091.20 | K | K-17 |
| Gloves, mitts and gauntlets, work, of fabric | 3091.10 | K | K-17 |
| Handkerchiefs | 3090.00 | K | K-17 |
| Hosiery, children's | 3094.00 | K | K-17 |
| Hosiery, men's | 3095.00 | K | K-17 |
| Hosiery, women's | 3093.00 | K | K-17 |
| House furnishings, n. e. s. (include napery, cotton floor coverings, and furniture slip covers) | 3189.00 | K | K-17 |
| Jackets and windbreakers, boys' | 3113.98 | K | K-17 |
| Jackets and windbreakers, men's | 3113.05 | K | K-17 |
| Knit apparel, men's, n. e. s. | 3099.95 | K | K-17 |
| Knit apparel, n. e. s. (except men's) | 3099.98 | K | K-17 |
| Laces, embroideries, and articles thereof, n. e. s. | 3185.00 | K | K-17 |
| Marquisettes, combed | 3073.00 | K | K-17 |
| Nightwear, boys', woven | 3115.98 | K | K-17 |
| Nightwear, knit, women's and children's (include balbriggan pajamas and "Dentons") | 3098.00 | K | K-17 |
| Nightwear, men's, woven | 3115.05 | K | K-17 |
| Overalls, breeches, etc., n. e. s. | 3114.00 | K | K-17 |
| Pile fabrics, other (include velveteens, corduroys, and terry fabrics) | 3088.00 | K | K-17 |
| Piques, combed | 3070.00 | K | K-17 |
| Plushes | 3087.00 | K | K-17 |
| Printcloth, bleached | 3051.10 | K | K-17 |
| Printcloth, dyed in the piece | 3052.10 | K | K-17 |
| Printcloth, printed | 3052.20 | K | K-17 |
| Printcloth, yarn fabric construction, unbleached (grey) n. e. s. | 3037.00 | K | K-17 |
| Quilts, comfortables, and quilted bedspreads | 3173.00 | K | K-17 |
| Remnants of fabrics, n. e. s., sold by the pound (include mill-ends and short pieces of less than 10 yds.) | 3089.50 | K | K-17 |
| Shirts, boys, n. e. s. (except knit) | 3117.29 | K | K-17 |
| Shirts, men's, not knit, n. e. s. | 3117.25 | K | K-17 |
| Shirts, work | 3117.10 | K | K-17 |
| Suitings, twill-coverts, cottonades | 3058.00 | K | K-17 |
| Sweaters, jersey pullovers and sweatshirts, boys' | 3099.19 | K | K-17 |
| Sweaters, jersey pullovers and sweatshirts, mens' | 3099.15 | K | K-17 |
| Sweaters, shawls, and mufflers, women's and children's | 3099.50 | K | K-17 |
| Table damask in the piece | 3082.00 | K | K-17 |
| Tapestry and other upholstery and drapery materials, jacquard and dobby-woven | 3084.00 | K | K-17 |
| Thread, crochet, darning, and embroidery | 3016.00 | K | K-17 |
| Tobacco and cheese cloth, unbleached | 3036.00 | K | K-17 |
| Towels and toweling, huck, damask and plain | 3188.00 | K | K-17 |
| Towels, wash cloths, and bath mats, terry-woven | 3187.00 | K | K-17 |
| Underwear, boys', knit | 3096.98 | K | K-17 |
| Underwear, boys', woven fabrics | 3116.98 | K | K-17 |
| Underwear, men's, knit | 3096.05 | K | K-17 |
| Underwear, men's, not knit | 3116.15 | K | K-17 |
| Underwear, women's and children's, knit | 3097.00 | K | K-17 |
| Underwear and nightwear, women's and children's, not knit (include diapers) | 3124.00 | K | K-17 |
| Voiles, organdies, lawn, batiste, combed | 3067.00 | K | K-17 |
| Women's and children's apparel of woven fabrics, n. e. s. (include blouses, shirts, bathrobes, uniforms, washable apparel, n. e. s.) | 3129.00 | K | K-17 |
| Manufactures, n. e. s. | 3199.00 | K | K-17 |
| Glass: | | | |
| Electric insulators, glass | 5292.00 | K | K-17 |
| Rolled glass (include standard and wire) | 5218.00 | K | K-17 |
| Glass, n. e. s. (include flat glass specialties, mirrors, and glass bricks) | 5230.98 | K | K-17 |
| Glassware, n. e. s. (include glass wool) | 5299.00 | K | K-17 |
| Jewelry: | | | |
| Articles of other materials (synthetic resins, cellulose compounds, etc.) (include cigarette cases, pocket cigar and cigarette lighters, compacts, powder and vanity cases) | 9629.00 | K | K-17 |
| Jewelry, men's, of other materials (synthetic resins, cellulose compounds, etc.) (include rings, collar and cuff buttons, studs, tie-clips and holders, watch chains, watch bracelets, and stickpins) | 9627.00 | K | K-17 |
| Jewelry, women's, of other materials (synthetic resins, cellulose compounds, etc.) (include rings, bracelets, bar pins, brooches, necklaces and earrings) | 9628.00 | K | K-17 |
| Leather manufactures, n. e. s. (include watch straps) | 0699.00 | K | K-17 |
| Miscellaneous: | | | |
| Beads and articles | 9840.05 | K | K-17 |
| Photographic and projection goods: | | | |
| Motion-picture films, exposed, negative features, 16 mm | 9121.30, 9121.31 | K | K-17 |
| Motion-picture films, exposed negative short subjects, 16mm | 9121.60, 9121.61 | K | K-17 |
| Motion-picture film, exposed, negative, 8 mm | 9121.90, 9121.91 | K | K-17 |
| Motion-picture film, exposed, negative newsreels | 9121.70, 9121.71 | K | K-17 |
| Motion-picture film, exposed, negative, sound track | 9122.00, 9122.01 | K | K-17 |
| Motion-picture film, exposed, negative, trailers, inserts, and replacements | 9121.80, 9121.81 | K | K-17 |
| Motion-picture film, exposed, positive, feature, 16 mm | 9123.30, 9123.31 | K | K-17 |
| Motion-picture film, exposed, positive, 8 mm | 9123.90, 9123.91 | K | K-17 |
| Motion-picture film, exposed, positive, newsreels | 9123.70, 9123.71 | K | K-17 |
| Motion-picture film, exposed, positive, short subjects (less than 4,000 lin. ft.) | 9123.40, 9123.41 | K | K-17 |
| Motion-picture film, exposed, positive, short subjects (less than 1,600 lin. ft.) | 9123.60, 9123.61 | K | K-17 |
| Motion-picture film, exposed, positive sound track | 9124.00, 9124.01 | K | K-17 |
| Motion-picture film, exposed, positive trailers, inserts, and replacements | 9123.80, 9123.81 | K | K-17 |
| Teeth, artificial | 9125.00 | K | K-17 |
| Textile products: | | | |
| Mattresses, cotton, moss, and hair | 3970.98 | K | K-17 |
| Wool-felt hats | 3953.00 | K | K-17 |
| Other textile manufactures | 3999.00 | K | K-17 |

| Commodity | Department of Commerce Schedule B number | General license group—old | General license group—new |
|---|---|---|---|
| Toys, athletic and sporting goods: | | | |
| Amusement park and playground devices and parts (include bowling alleys, merry-go-rounds, slides, swings, trapeze, climbing ropes, see-saws, horizontal bars, and other athletic contrivances) | 9450.00 | K | K-17 |
| Children's wheel goods and parts | 9405.00 | K | K-17 |
| Fishing tackles and parts, n.e.s. | 9422.00 | K | K-17 |
| Golf clubs | 9436.00 | K | K-17 |
| Ice skates | 9440.00 | K | K-17 |
| Reels, fishing | 9421.00 | K | K-17 |
| Roller skates | 9441.00 | K | K-17 |
| Athletic and sporting goods, n. e. s. | 9449.00 | K | K-17 |
| Wood manufactures: | | | |
| Plows and similar bent handles | 4285.00 | K | K-17 |
| Venetian blinds | 4231.00 | K | K-17 |
| Wood manufactures, n. e. s. | 4299.00 | K | K-17 |
| Woodenware | 4298.00 | K | K-17 |

*NOTE: The group letter "K" followed by a minus sign (—) and then by the country number 17 (K-17) indicates that the commodity may be exported under general license to all Group K destinations with the exception of country number 17, which is Mexico.

Shipments of the above commodities, which were on dock, on lighter, laden aboard the exporting carrier, or in transit to ports of exit pursuant to actual orders for export prior to the effective date of change may be exported under the previous general license provisions. Shipments moving to a vessel subsequent to the effective date of change pursuant to ODT permits issued prior to such date may also be exported under the previous general license provisions.

C. VICTOR BARRY,
*Chief of Office,*
*Office of Exports.*

## No. 486—*Current Export Bulletin No. 119.*

The Office of Exports has issued Current Export Bulletin No. 119 on the following subjects:

I. Requirement of Additional Information on Applications Covering In-Transit Shipments.
II. Comprehensive Export Schedule No. 12.
III. Cancelation of General Licenses to Certain Netherlands Destinations.
IV. Consolidation of Schedule B Classifications for Automotive Replacement Parts and Change in General License.
V. Portable Electric and Pneumatic Tools—Suggested Quarterly Export License Application Limits.
VI. Automotive Storage Batteries, Schedule B No. 7013 (Excluding Aircraft Batteries)—Suggested Export License Application Limits for the 4th Quarter.
VII. General In-Transit Licenses.

### I. *Requirement of Additional Information on Applications Covering In-Transit Shipments.*

Effective September 15, 1943, exporters of commodities which are moving in transit through the United States and for which individual export licenses are required are instructed to show additional information, in accordance with the specifications below:

FORM BEW 166: *a. Statement of Cargo Availability.*—Name and address of original consignor as well as that of applicant should be indicated in answering questions A and B.

*b. Application for Export License.*—Name and address of original consignor as well as that of applicant should be indicated in answering questions 2 and 3. The words "IN-TRANSIT SHIPMENT" should be typed in capitals in the top margin of the export license section of the form.

In cases where a BEW 119 and a BEW 138 may be submitted more advantageously than the BEW 166, the following specifications apply:

FORM BEW 119: Name and address of original consignor as well as that of applicant should be indicated in answering questions 2 and 3. The words "IN-TRANSIT SHIPMENT" should be typed in capitals in the top margin of the form.

FORM BEW 138: Name and address of original consignor as well as that of licensee should be indicated in answering questions 2 and 3.

### II. *Comprehensive Export Schedule No. 12.*

Comprehensive Export Schedule No. 12 is now being printed and will be mailed to all subscribers in about ten days. A supply of sale copies will thereafter be available at regional offices of the Department of Commerce, and at the Washington and New York offices of the Office of Economic Warfare.

The Comprehensive Schedule contains all pertinent information contained in Current Export Bulletins through No. 118. Some of the subjects in this bulletin (No. 119) are likewise included and such inclusion is noted.

### III. *Cancelation of General Licenses to Certain Netherlands Destinations.*

It was announced in Subject II of Current Export Bulletin No. 107 that all general licenses, under which exportations to the Netherlands West Indies and Surinam could be made previous to the effective date of the program, were continued in effect.

Effective September 30, 1943, exporters are advised that all such general licenses are canceled, including the special general license provision for medicinals. Exceptions to this provision are as follows:

| | |
|---|---|
| (*a*) General In-Transit Licenses | GIT. |
| (*b*) General license | GUS. |
| (*c*) General licenses for shipments valued at $25 or less or $1 or less (as the case may be) | GLV. |
| (*g*) Return of empty containers | GEC. |
| (*e*) Ship stores, fuel and supplies | |
| (*f*) Plane stores, fuel and supplies | |
| (*g*) Return of empty containers | GEC. |
| (*h*) Technical data | |
| (*i*) Newspapers and publications | G–PUB. |
| (*j*) Metal drums and containers | |
| (*k*) Photographic film, plates, and paper | GPF. |

Shipments of commodities to the Netherlands West Indies and Surinam which are on dock, on lighter, laden aboard the exporting carrier, or in transit to a port of exit pursuant to an actual order for export prior to September 30, 1943, may be exported under the previous general license provisions. Shipments moving to a vessel subsequent to September 30, 1943, pursuant to ODT permits issued prior to this date may also be exported under the previous general license provisions (included in Comprehensive Export Schedule No. 12).

### IV. *Consolidation of Schedule B Classifications for Automotive Replacement Parts and Change in General License.*

As a result of requests from the automotive industry for a simplification of licensing procedure, the Office of Economic Warfare arranged with the Department of Commerce for a consolidation of various automotive replacement parts under a single Schedule B number. Effective August 1, 1943, the following automotive replacement parts were combined into a single classification under the Schedule B No. 7923.05, automotive replacement parts, n. e. s.:

| *Commodity* | *Old Schedule B No.* |
|---|---|
| Automotive axles shafts | 7913.00 |
| Automotive pistons | 7915.00 |
| Automotive piston rings | 7916.00 |
| Automotive valves | 7917.00 |
| Automotive differential and transmission gears | 7918.00 |
| Automotive gears, n. e. s. | 7920.00 |
| Automobile and truck springs | 7922.00 |
| Automobile parts for replacement, n. e. s. | 7923.00 |

Exporters are advised that license applications submitted to this office prior to the date of this bulletin will be processed whether using the old or new Schedule B numbers for these commodities. Exportations will be permitted pursuant to valid individual licenses where the old numbers appear on the license.

Effective September 4, 1943, the general license permitting shipments of automotive replacement parts to Iceland (62) is canceled.

Individual licenses will henceforth be required for shipments of automotive replacement parts to all destinations, except as may be authorized by the general licenses for shipments valued at $25 or less (GLV), GUS, GIT, or other special general licenses as may hereafter be issued.

Shipments of the above commodities, which were on dock, on lighter, laden aboard the exporting carrier, or in transit to ports of exit pursuant to actual orders for export prior to the effective date of change may be exported under the previous general license provisions. Shipments moving to a vessel subsequent to the effective date of change pursuant to ODT permits issued prior to such date may also be exported under the previous general license provisions (included in Comprehensive Export Schedule No. 12).

### V. *Portable Electric and Pneumatic Tools—Suggested Quarterly Export License Application Limits.*

In response to requests from exporters, the Office of Exports is establishing for certain destinations procedures whereby quarterly limits will be suggested to exporters beyond which applications for export licenses for portable electric and pneumatic tools may but are not likely to be approved.

These suggested limits are offered to exporters simply as a guide in planning their sales and export license application work, and do not in any manner represent a commitment from the Office of Exports.

It is hoped that this procedure will prove to be beneficial with respect to the issuance of Import Recommendations under the Decentralization Plan, and that it will also save time and labor by reducing the number of applications for this commodity which must be rejected, returned without action, or approved with quantities altered.

Exporters of Portable Electric and Pneumatic Tools may obtain further details of this procedure by writing to the Machinery and Equipment Division, Office of Exports, Office of Economic Warfare, Washington 25, D. C., Reference OE-4-4-CBB.

### VI. *Automotive Storage Batteries; Schedule B No. 7013 (Excluding Aircraft Batteries)—Suggested Export License Application Limits for the 4th Quarter.*

In response to requests from exporters, and after consultation with representatives from the Automotive Storage Batteries Industry, the Office of Exports is establishing, for the fourth quarter of 1943, for certain destinations, a procedure whereby limits will be suggested to exporters beyond which applications for export licenses for automotive storage batteries are not likely to be aproved.

These suggested limits are offered to exporters simply as a guide in planning their sales and export license application work, and do not in any manner represent a commitment from the Office of Exports. Neither do they change any of the requirements calling for Import Recommendations or other certificates provided for under the Decentralization Plan.

Exporters of automotive storage batteries may obtain further details of this procedure by writing to the Machinery and Equipment Division, Office of Exports, Office of Economic Warfare, Washington 25, D. C., Reference OE-4-4-LGG.

VII. *General In-Transit Licenses.*

*a.* General In-Transit Licenses permit the exportation from the United States of in-transit shipments of commodities which originated in certain foreign countries and which are en route to certain destinations after passing through the United States or any place subject to the jurisdiction of the United States.

*b.* The inception of the Decentralization Plan covering exportations to the Other American Republics and the setting up of Program Licenses to cover exportations to other geographical areas have caused a number of revisions in the general in-transit licenses as listed on page 76 of Comprehensive Export Schedule No. 11.

*c.* For the convenience of exporters the list of general in-transit licenses as reconstituted is now published. In the right hand column are shown the general in-transit license designations for the permitted shipments. In place of an export license number, the exporter must note the general in-transit license designation on his export declaration to identify such an exportation. MANY OF THESE SYMBOLS ARE NEW. EFFECTIVE SEPTEMBER 7TH, 1943, THE SYMBOLS IN THE LIST BELOW SHALL BE USED INSTEAD OF THOSE PREVIOUSLY EFFECTIVE.

(NOTE: Y countries, Z countries, V countries, F countries, M countries, and A countries are listed below.)

| *From—* | *To—* | *General in-transit license designations* |
|---|---|---|
| Country Group A | Country Group A | GIT—A/A |
| Country Group A | Unoccupied China | GIT—A/UC |
| Country Group A | Country Group F | GIT—A/F |
| Canada | Country Group V | GIT—C/V |
| Canada | Country Group M | GIT—C/M |
| Canada | Mozambique, New Caledonia | GIT—C/MN |
| Canada | Belgian Congo | GIT—C/BC |
| Canada | Country Group F | GIT—C/F |
| Canada | Unoccupied China | GIT—C/UC |
| Canada | Country Group A | GIT—C/A |
| Mexico | Belgian Congo | GIT—MX/BC |
| Canada | Madagascar and Reunion Island | GIT—C/MR |
| Country Group F | Country Group A | GIT—F/A |
| Country Group F | Country Group F | GIT—F/F |
| Belgian Congo | Country Group A | GIT—BC/A |
| Belgian Congo | Country Group F | GIT—BC/F |
| Country Group F | Unoccupied China | GIT—F/UC |
| Country Group Y | Country Group Z | GIT—Y/Z |
| Country Group V | Unoccupied China | GIT—V/UC |
| Country Group V | Country Group A | GIT—V/A |
| Country Group V | Country Group F | GIT—V/F |
| Portugal | Country Group A | GIT—P/A |
| Portugal | Country Group F | GIT—P/F |
| Spain | Country Group A | GIT—S/A |
| Spain | Country Group F | GIT—S/F |
| Sweden | Country Group A | GIT—SD/A |
| Sweden | Country Group F | GIT—SD/F |
| Switzerland | Country Group A | GIT—SW/A |
| Switzerland | Country Group F | GIT—SW/F |
| Russia | Country Group A | GIT—R/A |
| Russia | Country Group F | GIT—R/F |

*Y Countries*

Australia.
Dominion of Canada.
India.
New Zealand.
Union of South Africa.
British Colonies including only—
Aden.
Bahamas.
Barbados.
Bermuda.
British Guiana.
British Honduras.
Ceylon.
Cyprus.
Fiji.
Gambia.
Gold Coast.
Jamaica.
Kenya.
Leeward Islands.
Nigeria.
Northern Rhodesia.
Nyasaland.
Palestine and Transjordania.
Seychelles Islands.
Sierra Leone.
Tanganyika.
Trinidad.
Uganda.
Western Pacific Islands.
Windward Islands.
Zanzibar.

*Z Countries*

French West Africa.
French North Africa.
Eire.
Spain.
Spanish Atlantic Islands.
Spanish Morocco and Tangier.
Portugal.
Portuguese Atlantic Islands.
Portuguese Guinea.
Liberia.
Sweden.
Switzerland.
Turkey.

*V Countries*

Argentina.
Bolivia.
Brazil.
Chile.
Colombia.
Costa Rica.
Cuba.
Dominican Republic.
Ecuador.
El Salvador.
Guatemala.
Haiti.
Honduras.
Mexico.
Nicaragua.
Panama.
Paraguay.
Peru.
Uruguay.
Venezuela.

*F Countries*

Cuba.
French Guiana.
Greenland.
Iceland.
Mexico.
Newfoundland.
Surinam.

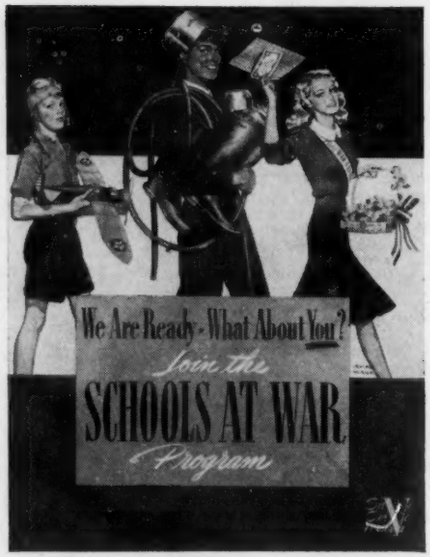
Netherlands West Indies, including the islands of Aruba, Bonaire, Curacao, Saba, St. Eustache and St. Martin (Southern Part).
French West Indies, including Desirade, Guadeloupe, Les Saintes, Martinique, Marie Galante, St. Martin (Northern Part), and St. Bartholomew.

*M Countries*

Aden.
Anglo-Egyptian Sudan.
Arabia (Saudi).
Bahrein Islands.
British Somaliland.
Cyprus.
Egypt.
Eritrea.
Ethiopia.
French Somaliland (French Somali Coast).
Iran.
Iraq.
Italian Somaliland.
Kamaran Island (Aden).
Katar (Qatar).
Khorya-Morya Island (Aden).
Kuwait.
Lebanon (Syria).
Libya.
Malta.
Perim Island (Aden).
Qatar.
Saudi Arabia.
Sokotra Island (Aden).
Sudan, Anglo-Egyptian.
Syria.
Trans-Jordan and Palestine.
Trucial Oman (Trucial Coast).
Yemen.

*A Countries*

Aldabra Islands (Seychelles).
Amirantes Islands (Seychelles).
Anguilla (St. Christopher and Nevis Islands).
Antigua (Barbuda and Redonda Islands).
Ascension Island (St. Helena).




Ashanti (British West Africa).
Australia.
Bahamas.
Baluchistan (India).
British Oceania (see Oceania, British).
British Togoland (British West Africa).
British Virgin Islands (Leeward Islands).
British West Africa (including Nigeria, British Cameroons (mandated territory), Gambia, Sierra Leone, Gold Coast (including Ashanti and Northern territory), and British Togoland (mandated territory)).
Caicos Islands (Jamaica).
Cameroons (British West Africa).
Barbados.
Barbuda (Leeward Islands).
Bermuda.
Bhutan (India).
British East Africa (including Kenya, Uganda, Nyasaland, Zanzibar, and Tanganyika (mandated territory).
British Guiana.
British Honduras.
Falkland Islands.
Farquhar Islands (Seychelles).
Fiji Islands (Oceania, British).
Friendly Island (Oceania, British).
Gambia (British West Africa).
Gibraltar.
Gilbert and Ellice Islands (Oceania, British).
Gold Coast(British West Africa).
Gough Island (St. Helena).
Gozo (Malta).
Great Britain and Northern Ireland.
Grenada (Windward Islands).
Grenadines (Windward Islands).
Inacessible Island (St. Helena).
India.
Jamaica.
Kenya (British East Africa).
Leeward Islands (including Antigua, Barbuda, Redonda, St. Christopher (St. Kitts) Island, Nevis Island, Anguilla Island, Montserrat, Sombrero and British Virgin Islands).
Maldive Islands (Ceylon).
Malta (including Comino and Gozo.)
Mauritius (including Rodriguez Island and Diego Garcia Island).
Montserrat (Leeward Islands).
Nepal (India).
Nevis Island (Leeward Islands).
New Guinea (British) comprising Papua or British New Guinea, and teritory of New Guinea (mandated territory).
New Hebrides (Oceania, British).
New Zealand (including Cook Islands and Western Samoa (mandated territory)).
Nigeria (British West Africa).
Nightingale Island (St. Helena).
Northern Ireland (Great Britain).
Northern Rhodesia.
Cayman Islands (Jamaica).

Ceylon.
Chagos Archipelago (Mauritius).
Comino (Malta).
Cook Islands (New Zealand).
Diego Garcia Islands (Mauritius).
Dominica.
England.
Papua (British New Guinea).
Pitcairn Isuand (Oceania, British).
Redonda Islands (Leeward Islands).
Rodriguez Islands (Mauritius).
St. Christopher (St. Kitts) Island (Leeward Islands).
St. Helena (including Ascension, Gough, Inaccessible, Nightingale, and Tristan da Cunha Islands).
St. Kitts (Leeward Islands).
St. Lucia (Windward Islands).
St. Vincent (Windward Islands).
Samoa, Western (mandated territory) (New Zealand).
Sandwich Islands (Falkland Islands).
Santa Cruz Islands (Oceania, British).
Scotland.
Seychelles and Dependencies.
Sierra Leone (British West Africa).
Solomon Islands (British Oceania).
Solomon Islands (Australian New Guinea).
Sombrero Islands (Leeward Islands).
South Georgia (Falkland Islands).
South Orkney Islands (Falkland Islands).
South Shetland Islands (Falkland Islands).
Southern Rhodesia.
South-West Africa (Union of South Africa).
Tanganyika (British East Africa).
Tasmania (Australia).
Tobago (and Trinidad).
Togoland (mandate) (British West Africa).
Tonga Islands (Oceania, British)
Trinidad and Tobago.
Tristan da Cunha Island (St. Helena).
Turks Island (Jamaica).
Uganda (British East Africa).
Union of South Africa.
United Kingdom (Great Britain).
Wales.
Western Samoa (New Zealand).
Nyasaland (British East Africa).
Oceania, British (including British Solomon Islands, Fiji Islands, Gilbert and Ellice Islands, New Hebrides Islands, Pitcairn Island, Tonga or Friendly Island, Santa Cruz Islands).
Windward Islands (including Grenada, Grenadines, Dominica, and St. Vincent).
Zanzibar (British East Africa).

*d.* The provisions relative to in-transit shipments not unloaded and those regarding the use of general in-transit license GIT–Y/Z, as well as other limitations on the use of general in-transit licenses set forth in Comprehensive Export Schedule No. 11, continue unchanged with the exception that the limitation "in Iraq" is deleted at the end of paragraph *b.* 1., page 77.

*e.* Certain commodities not ordinarily exportable under the provisions of the general in-transit licenses are listed in the Comprehensive Export Schedule No. 11 on pages 77 and 78. Additions were made to this list in Current Export Bulletin No. 95, subject XI. Exportations of five types of in-transit shipments of these commodities are now excepted from such limitation:

(1) Shipments under general in-transit licence GIT–A/A;

(2) Shipments traveling from Mexico in bond through the United States to another part of Mexico;

(3) Shipments under general in-transit license GIT–C/A;

(4) Shipments under general in-transit license GIT–Y/Z, and

(5) Shipments under general in-transit license GIT–C/V from Canada to one of the twenty Other American Republics.

(Included in Comprehensive Schedule No. 12.)

C. VICTOR BARRY,
*Chief of Office,*
*Office of Exports.*

NOTE: Current Export Bulletins are issued by the Office of Exports for the guidance of all concerned with Export regulations and interpretations. The Bulletins supplement the Comprehensive Export Schedules. Copies of the Comprehensive Export Schedules may be obtained from the Superintendent of Documents, Government Printing Office, Washington, D. C., at a cost of 20 cents per copy or $1 for six issues.

## Brazil Plans Soda-Products Industry

Brazil's National Salt Institute has been authorized by President Vargas to proceed with studies for the establishment of a Brazilian soda and derivative-products industry, using residual waters from salt production.

This is part of Brazil's program for expansion of chemical output to cover its increasing industrial needs and to overcome the wartime difficulty of importing chemicals from Europe and the United States.

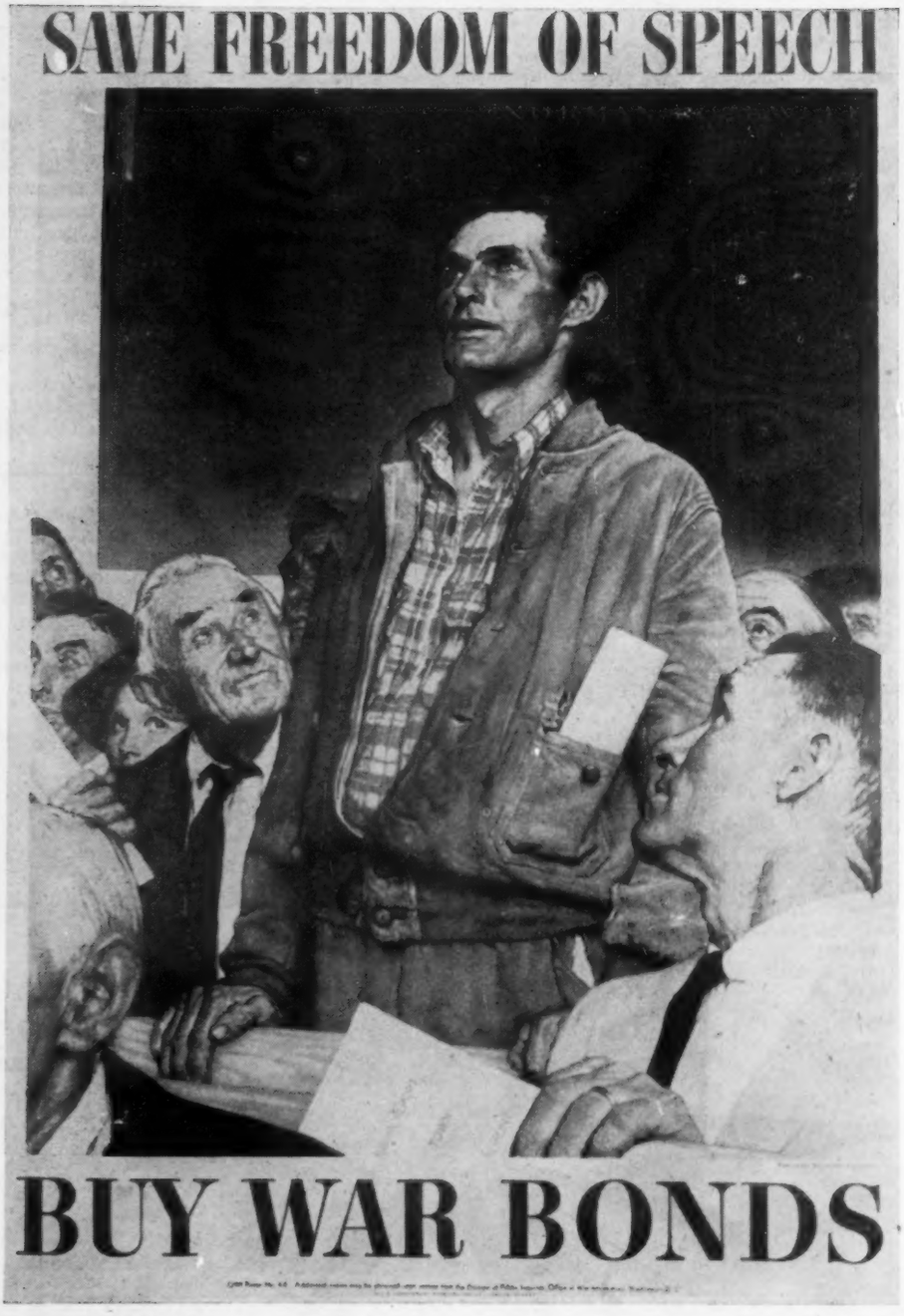
The Salt Institute is authorized, by decree of President Vargas, to organize a corporation to develop the soda-products industry.

Before the outbreak of the war the Norwegian State Railways employed some 12,500 persons; during the years of occupation by the Nazis this number has increased to 19,000 (construction workers are not included in these figures). The reason for this 50 percent personnel increase in a 3-year period cannot be ascertained.


WARNING

NAZI SPIES PICK UP MILITARY INFORMATION FROM CARELESS TALKING AMERICANS

Loose Talk Costs Lives

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